INFORMATION MEMORANDUM IN RESPECT OF 5 YEAR MULTICURRENCY MEDIUM TERM NOTE PROGRAMME

WORTH TZS 100,000,000,000

22ND JULY 2026

hatua
bond

CAUTIONARY STATEMENT

This Information Memorandum has been prepared in compliance with the Capital Markets and Securities Act, Cap. 79, the Companies Act, Cap. 212 (Act. No. 12) R.E 2023, the Capital Markets and Securities Guidelines for the Issuance of Corporate Bonds, Municipal Bonds and Commercial Papers, 2019, and the Dar es Salaam Stock Exchange PLC Rules, 2022 as amended.

A copy of this Information Memorandum has been delivered to the Capital Markets and Securities Authority (CMSA) for approval and to the Registrar of Companies (BRELA) for registration. Approval of this Information Memorandum by the CMSA should not be taken as an indication of the merits of I&M Bank (T) Limited or its application. The securities offered in this Information Memorandum have not been approved or disapproved by the CMSA.

Prospective investors should carefully consider the matters set forth under the caption "Risk Factors" in Section 8 of this Information Memorandum. If you are in doubt about the contents of this Information Memorandum, or what action you should take, you are advised to consult your Investment Advisor, Stockbroker, Lawyer, Banker, or any other Financial Consultant.

IMPORTANT NOTICES

This Information Memorandum is issued by I&M Bank (T) Limited (the "Issuer") and has been prepared in respect of the TZS 100,000,000,000 (Tanzanian Shillings One Hundred Billion) Multicurrency Medium Term Note Programme (the "Programme") subject to the terms and conditions ("Terms and Conditions") contained in this Information Memorandum (the "IM"). Any other terms and conditions not contained in the Terms and Conditions which are applicable to any Notes will be set out in the relevant pricing supplement (the "Pricing Supplement").

Under this 5-year Multicurrency Medium Term Note Programme ("Programme"), I&M Bank (T) Limited (the "Issuer" or "I&M" or the "Company") may from time-to-time issue debt securities ("Notes") and may rank as senior unsecured obligations of the Issuer or unsubordinated obligations of the Issuer. This Information Memorandum will only apply to Notes issued under the Programme in an aggregate nominal amount which does not exceed TZS 100,000,000,000 or its equivalent in such other currencies as Notes are issued.

The Notes, unless previously redeemed, will be redeemed in full in accordance with the provisions of the relevant Applicable Pricing Supplement. The Notes will be issued in registered form in denominations specified in the relevant Applicable Pricing Supplement.

The register of Noteholders will be maintained by CSD & Registry Company Limited as the Registrar, Fiscal & Calculating, Paying and Transfer Agent.

The sale or transfer of Notes by Noteholders will be subject to the rules of the DSE, and, where applicable, the prevailing Central Securities Depository Rules and the Terms and Conditions of the Notes. There are currently no other restrictions on the sale or transfer of the Notes under Tanzanian law. In particular, there are no restrictions on the sale or transfer of the Notes by or to non-residents of the United Republic Tanzania.

The Notes may be issued on a continuing basis and placed by one or more of the Collecting Agents specified under "Summary of the Programme" and any additional Collecting Agents appointed under the Programme from time to time, whose appointment may be for a specific issue or on an ongoing basis (each a "Collecting Agent" and together the "Collecting Agents".

Consents

iTrust Finance Limited as Lead Transaction Advisor and Sponsoring Broker; Joachim & Jacobs as the Transaction Legal Counsel and; Auditax International as the Reporting Accountant have consented in writing to act in the capacities stated and to their names being included in this IM and have not withdrawn their consents prior to the publication of this IM.

Auditax International has given and not withdrawn its written consent to the issue of this IM with the inclusion in it of their reports in the form and context in which they are included. Joachim & Jacobs has given and not withdrawn its written consent to the issue of this IM with the inclusion in it of their legal opinion in the form and context in which it is included.

DISCLAIMER STATEMENT

The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information with respect to itself and the Notes to be issued by it which is material in the context of the Programme. The Issuer further confirms that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading, The Issuer further confirms that the intentions and opinions expressed in this Information Memorandum are held, and that there are no other facts, the omission of which, would make any such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer and all its directors accept responsibility accordingly.

The Advisors and Collecting Agents have relied on the information provided by the Issuer and the Issuer's professional advisors. Accordingly, the Advisors and Collecting Agents do not make any representations as to the accuracy or completeness of the information contained in this Information Memorandum and therefore do not accept any liability or responsibility in relation to information contained in this Information Memorandum.

An application has been made to the Capital Markets and Securities Authority ("CMSA") for approval of this IM and listing of the securities on the DSE and the CMSA has granted the approval. As a matter of policy, the CMSA does not assume responsibility for the accuracy of any of the statements made or opinions or reports expressed or referred to in this IM. Approval by the CMSA of the Programme should not be taken as an indication of the merit of the issuer or of the Notes.

The DSE has no objection to the issuer listing the Notes on the DSE. The DSE assumes no responsibility for the accuracy of the statements made or opinions or reports expressed or referred to in this IM. Admission by the DSE of the Notes should therefore not be taken as an indication of the merits of the issuer or of the Notes.

FORWARD-LOOKING STATEMENTS

This Information Memorandum includes 'forward-looking statements.' These statements contain words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the issuer's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the issuer's products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the issuer to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future. None of the advisors to the Programme have reviewed or confirmed any of the forward-looking statements made by the Issuer.

These forward-looking statements speak only as at the date of this Information Memorandum. Without prejudice to any requirements under applicable laws and regulations, the issuer expressly disclaims any obligations or undertaking to disseminate after the date of this Information Memorandum any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond the Issuer's control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed in the section entitled "Risk Factors," as well as those included elsewhere in this Information Memorandum. Investors should be aware that several important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. There may be other risks, including some risks of which the Issuer is unaware, that could affect the Issuer's results or the accuracy of forward-looking statements in this Information Memorandum. Investors should not consider the factors discussed here or under "Risk Factors" to be a complete set of all potential risks or uncertainties

Representation of Financial Information

The Issuer's financial year ends on 31st December of each year. Financial information presented in this IM is derived from the audited financial statements of the Issuer for the years ended 31st December 2023, 2024, and 2025. The forecasted financial information for the years ending 31st December 2026, 2027, and 2028 set out in the section "Reporting Accountant's Report" has been prepared to comply with the requirements of the Capital Markets and Securities Authority ("CMSA"), the Dar es Salaam Stock Exchange ("DSE"), and as per the market's best practices in Tanzania.

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments.

CORPORATE INFORMATION

Chief Executive Officer and Managing Director

Mr. Zahid Mustafa

Board of Directors

Mr. Madabhushi Soundararajan – Board Chairman

Mr. Kihara Maina

Mr. Emmanuel Chacha

Ms. Nancy Riwa

Ms. Gauri Gupta

Ms. Sarah Bisanda

Mr. Paresh Manek

Mr. Alan Mchaki

Mr. Christian Shirima

Mr. Jamhuri Ngelime

Mr. Zahid Mustafa

Company's Registered Office

I&M House@1046,
Haile Selassie Road, Masaki,
P.O Box 1509,
Dar es Salaam,
Tanzania.

Company Secretary:

Ms. Maria Ashley Gonsalves

Independent Auditors

KPMG,
The Luminary,
Plot No. 574, Haile Selassie Road,
Msasani Peninsula Area
P.O. Box 1160,
Dar es Salaam, Tanzania

TRANSACTION TEAM

Lead Transaction Advisor
iTrust Finance Limited
Block C, 429 Mahando Street, Masaki
P.O. Box 22636
Dar es Salaam, Tanzania

Sponsoring Broker
iTrust Finance Limited
Block C, 429 Mahando Street, Masaki
P.O. Box 22636
Dar es Salaam, Tanzania

Transaction Legal Counsel
Joachim & Jacobs Attorneys
37 Ali Hassan Mwinyi Road
P.O. Box 3979
Dar es Salaam, Tanzania

Reporting Accountant
Auditax International
Auditax House, 3rd Floor, Coca Cola Road
P.O. Box 77949
Dar es Salaam, Tanzania

Receiving Bank
I&M Bank (T) Limited
I&M House@1046
Haile Selassie Road, Masaki
P.O. Box 1509, Dar es Salaam, Tanzania

Registrar, Fiscal & Calculating, Paying and Transfer Agent
CSD & Registry Company Limited
1st Floor, Exchange Tower, NHC Morocco Square,
P.O. Box 70081
Dar es Salaam, Tanzania

DIRECTORS' DECLARATION

We, the Board of Directors of I&M Bank (T) Limited, having conducted all reasonable inquiries, hereby confirm and accept full responsibility for the contents of this Information Memorandum (IM). We confirm that this IM includes all material information concerning the Company and the Offer, that such information is true, accurate, and not misleading in any material respect. We further affirm that the opinions and intentions expressed within this document are honestly held and that no facts have been omitted that would render this Information Memorandum, or any information, opinions, or intentions contained herein, misleading in any material respect.

The Directors, whose names are listed in Section 7 of this Information Memorandum, collectively and individually accept responsibility for the accuracy and completeness of this statement.

Board Chairman	**Company Secretary**	**1st July 2026**

BOARD CHAIRMAN'S STATEMENT

Dear Investors,

On behalf of the Board of Directors of I&M Bank (T) Limited, I am pleased to present this Information Memorandum in respect of the Bank's proposed TZS 100,000,000,000 five-year multicurrency medium-term note programme.

The Programme is intended to provide the Bank with an additional funding channel to support balance sheet management, diversify funding sources, and align medium-term funding with the Bank's growth strategy and asset-liability management objectives.

The Board is supportive of initiatives that broaden the Bank's access to capital markets, strengthen funding resilience, and enhance the Bank's capacity to support customers across corporate, business, retail and SME segments.

The Bank continues to invest in technology, operational efficiency and risk management in order to maintain resilience and support customers across its core business lines. The Programme forms part of this broader approach to funding diversification and sustainable growth.

The Board remains focused on prudent oversight, responsible lending, customer service and long-term value creation for stakeholders.

Sincerely,

Madabhushi Soundararajan

Chairman of the Board

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Investors,

This Information Memorandum outlines the proposed medium-term note programme through which I&M Bank (T) Limited may raise funding in one or more tranches, subject to market conditions and regulatory approvals. The Programme is intended to support the Bank's medium-term funding strategy and provide flexibility in raising debt capital in line with business needs.

The Bank intends to apply the net proceeds of Notes issued under the Programme for general corporate purposes, including supporting loan growth, funding diversification, liquidity management, and other balance sheet requirements, as more particularly described in the relevant Pricing Supplement.

Management remains focused on disciplined growth, prudent risk management, and strengthening the Bank's capacity to serve customers and counterparties across its key business lines. The Programme is intended to support these objectives while broadening the Bank's engagement with Tanzania's capital markets.

We are confident that this MTN Programme will strengthen our capacity to deliver on our mandate and unlock broader socioeconomic impact. We thank our investors, stakeholders, and partners for the continued confidence and trust in us. Together, we look forward to building a more inclusive and prosperous financial future for all Tanzanians.

Sincerely

Zahid Mustafa

Chief Executive Officer & Managing Director

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum which shall be deemed to modify and supplement the contents of this Information Memorandum:

a) any supplements to this Information Memorandum circulated by the Issuer from time to time in accordance with the Agency Agreement relating to the Programme;

b) the audited annual financial statements, and notes thereto, of the Issuer for the three financial years ended 31 December 2023-2025 as well as the published audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when such become available;

c) each relevant Pricing Supplement relating to any tranche of Notes issued under the Programme on or after the Programme Date;

d) all information pertaining to the Issuer which is relevant to the Programme and/or this Information Memorandum which is submitted to the CMSA and DSE save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, in connection with the listing of Notes on DSE or on such other exchange or further exchange or exchanges as may be selected by the Issuer as indicated on the relevant Pricing Supplement, and for so long as any Notes remain outstanding and listed on such exchange, publish a supplement to the Information Memorandum on the occasion of any subsequent issue of Notes where there has been:

a) a material adverse change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Information Memorandum or any supplement to the Information Memorandum; or

b) any modification of the terms of the Programme which would then make the Information Memorandum inaccurate or misleading.

Any such supplemental Information Memorandum shall be deemed to have been substituted for the previous Information Memorandum from the date of its issue.

The Issuer will provide, free of charge, to each person to whom a copy of the Information Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Issuer at its registered office as set out herein.

Table of Contents

1. DEFINITIONS AND ABBREVIATIONS

Defined Term	Definitions
“Applicable Laws”	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Issue, the Conditions of the Notes and the Notes issued thereunder in accordance with which the same are to be construed.
“Advisors”	means iTrust Finance Limited, Joachim and Jacobs Attorneys, and Auditax International.
“Issuer” or “Bank”	means I&M Bank (T) Limited.
“Board” or “Directors”	means the Board of Directors of the Issuer.
“Bank of Tanzania” or “BoT”	means the Central Bank of the United Republic of Tanzania established under the Bank of Tanzania Act, 2006.
“Calculating/Fiscal Agent”	means the person at its Specified Office appointed or acting as Calculation/Fiscal Agent pursuant to the Agency Agreement and the Conditions and/or, if applicable, any Successor Calculation/Fiscal Agent at its Specified Office.
“Capital Markets and Securities Authority” or “CMSA”	means the Capital Markets and Securities Authority established under the Capital Markets and Securities Act, Cap. 79 R.E. 2002.
“CBR”	means the Central Bank Rate.
“CDS”	means the central depository system operated by CSD & Registry Company Limited.
“CSDR”	means the CSD & Registry Company Limited.
“Collecting Agent”	means the person at its specified office initially appointed as Collecting Agent pursuant to the Placing Agreement or if applicable, any Successor Collecting Agent at its specified office.
“DSE” or “DSE PLC”	means the Dar es Salaam Stock Exchange PLC.
“EAC”	means the East African Community.
“Government”	means the Government of the United Republic of Tanzania.
“IFRS”	means International Financial Reporting Standards.
“Issue Price”	means the price at which the Notes are issued by the Issuer (being, at the election of the Issuer, at par or at discount to, or premium to par or at such other price or such other basis as agreed and specified in the relevant Pricing Supplement).
“Issue”	means a note issued under the Programme, denominated in Tanzanian Shillings or such other currency as may be specified in the relevant Pricing Supplement.
“Issue Date”	means the date from which the Notes are deemed to be issued and from which interest begins to accrue.
“Maturity Date”	means the date as specified in each relevant Pricing Supplement on which the Principal Amount is due.
“MTN”	means Medium-Term Note.
“Nominal Amount”	means in relation to any Note, the total amount, excluding interest owing by the Issuer under the Note, as specified in the applicable Pricing Supplement.
“Noteholders”	means the persons in whose name Notes are registered in the Register maintained by the Registrar pursuant to the Agency Agreement in respect of a particular Tranche or Series and “holders” shall be

	construed accordingly and, in addition, where the context so admits or requires.
"Notes"	means the Medium-Term Notes issued or to be issued by the Issuer under the Programme in the specified denominations and on the terms set out in this Information Memorandum and the relevant Pricing Supplement.
"Information Memorandum" or "IM"	means this Information Memorandum, as amended or supplemented from time to time, which applies to Notes issued under the Programme on or after the Programme Date.
"Pricing Supplement"	means, in relation to a Tranche, a pricing supplement, supplemental to the Information Memorandum, issued for the purpose of specifying the relevant issue details of such Tranche and references in the Information Memorandum to the "relevant Pricing Supplement" shall, in relation to any Tranche of Notes, be references to the pricing supplement in respect of that Tranche.
"Principal Amount"	means the Nominal Amount excluding interest owing by the Issuer in respect of that Note as specified in the applicable Pricing Supplement.
"Programme"	means the TZS 100,000,000,000 five-year multicurrency Medium-Term Note Programme established by the Issuer, as amended or supplemented from time to time, under which the Issuer may issue Notes in Tanzanian Shillings and/or such other currencies as may be specified in the relevant Pricing Supplement.
"Register"	means the register of Noteholders maintained by the Registrar in accordance with the Agency Agreement and applicable law.
"Registrar"	means the person at its Specified Office appointed or acting as Registrar pursuant to the Agency Agreement or, if applicable, any Successor Registrar at its Specified Office.
"Regulations"	means the regulations concerning the transfer of Notes as the same may from time to time be promulgated by the Issuer and approved by the Registrar and detailed under Schedule 1 (Regulations Concerning the Transfer and Registration of Notes) of the Agency Agreement.
"SADC"	means the Southern African Development Community.
"Series"	means, in relation to those Notes of that Tranche that are issued on the same date, Issue Price and in respect of which the first payment of interest is identical and which may otherwise have differing terms as stipulated in the relevant Pricing Supplement and "Series" shall be construed accordingly.
"Stock Exchange"	means the DSE and references in these Terms and Conditions to the "relevant Stock Exchange(s)" shall, in relation to any Notes, be a reference to the exchange(s) on which such Notes are from time to time, or are intended to be, listed.
"Successor"	means, in relation to any party appointed under an Issue, any successor to any one or more of them which shall become a party pursuant to the provisions of those present and/or such other or further agent (as the case may be) in relation to the Notes as may from time to time be appointed as such, and/or, if applicable, such other or further specified offices as may from time to time be nominated, in each case by the Issuer and (except in the case of the initial

	appointments and specified offices made under and specified in the Conditions) notice of whose appointment or, as the case may be, nomination has been duly given to the Noteholders.
"Tanzania"	means the United Republic of Tanzania, and "Tanzanian" shall be construed accordingly.
"Tanzania Shillings" or "Shilling" "Tshs" or "TZS"	means the lawful currency of the United Republic of Tanzania.
"Terms and Conditions"	means the terms and conditions incorporated in the IM under section 10 headed "Terms and Conditions of the Notes" and in accordance with which the Notes will be issued under the Programme and references to "these Conditions" shall mean the Terms and Conditions.
"Tranche"	means a series of Notes comprising one or more Series that (except in respect of the first payment of interest and their Issue Price) have the identical terms of issue and are expressed to have the same Tranche number.

2. GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes in one or more tranches. The Terms and Conditions applicable to each tranche of Notes will be set out in this Information Memorandum under section 10, as supplemented and modified by the relevant Pricing Supplement and any supplemental Information Memorandum issued in accordance with applicable law.

This Information Memorandum applies to Notes issued under the Programme up to an aggregate nominal amount of TZS 100,000,000,000 or its equivalent in such other currencies as may be specified in the relevant Pricing Supplement, unless such amount is increased in accordance with the terms of the Programme and applicable approvals. Set out below is the indicative issuance timetable for the Programme.

Indicative Issuance Timelines of the Programme

Tranche	Amount	Indicative Issue Date *
1	TZS 25 Billion	FY 2026
2	TZS 25 Billion	FY 2027
3	TZS 25 Billion	FY 2028
4	TZS 25 Billion	FY 2029

** The Indicative Dates will be announced through the relevant Pricing Supplement. The dates may change at the discretion of the Issuer and will be communicated to the potential noteholders where appropriate, subject to obtaining approval from the CMSA.*

3. SUMMARY OF THE PROGRAMME

The Programme provides the Issuer with the flexibility to access the Tanzanian capital markets for debt funding of up to TZS 100,000,000,000, in one or more tranches, as and when required to support its funding and balance sheet management objectives.

This summary is qualified in its entirety by the more detailed information set out elsewhere in this Information Memorandum, the audited financial statements incorporated by reference, the Reporting Accountant's Report, the legal opinion, the Terms and Conditions of the Notes and the relevant Pricing Supplement. It should therefore be read together with the full Information Memorandum and not in isolation.

3.1. Salient Features of the Programme

Summary Description

A: PARTIES	
Issuer	I&M Bank (T) Limited (the "Issuer" or 'I&M' or the "Bank").
Lead Transaction Advisor	**i**Trust Finance Limited.
Sponsoring Broker	**i**Trust Finance Limited.
Lead Collecting Agents	I&M Bank (T) Limited and **i**Trust Finance Limited.
Registrar, Fiscal & Calculating, Paying and Transfer Agent	CSD & Registry Company Limited
Receiving Bank	I&M Bank (T) Limited
Transaction Legal Counsel	Joachim & Jacobs Attorneys
Reporting Accountant	Auditax International

B: GENERAL	
Description of the Programme	A TZS 100,000,000,000 five-year multicurrency Medium-Term Note Programme under which the Issuer may issue Notes in one or more tranches, subject to the terms of the Programme and the relevant Pricing Supplement.
Form of Notes	Book entry form or as specified in the relevant Pricing Supplement.

Denomination of Notes	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement.
Minimum Subscription	As specified in the relevant Pricing Supplement.
Programme Amount	Tanzanian Shillings one hundred billion (TZS 100,000,000,000).
Status of the Notes	Unless otherwise specified in the Applicable Pricing Supplement, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain debt preferred by law) equally with all other unsecured obligations (other than subordinated obligations (if any)) of the Issuer outstanding from time to time.
Currency	Tanzanian Shillings & United State Dollars
Governing Law	The IM, the Terms and Conditions and the Notes will be governed by and construed in accordance with the laws of Tanzania.
Use of Proceeds	General corporate purposes as specified in the applicable Pricing Supplement.
Issue Price	Notes may be issued on a fully paid, and at an issue price which is at their Nominal Value or at a discount to, or premium over, their Nominal Value as specified in the applicable Pricing Supplement.
Listing	Notes will be listed on DSE.
Oversubscription	In the event of oversubscription, the Issuer may, subject to applicable approvals and the terms of the relevant offer, accept additional subscriptions or otherwise scale allotments in the manner set out in the relevant Pricing Supplement.
Interest Period(s) or Interest Payments Date(s)	The Interest Rate(s), Interest Payment Date(s) and Interest Period(s) applicable to these Notes will be specified in the relevant Pricing Supplement.
Noteholder	The holder of a Note from time to time and recorded as such in the Register.
Register	The Register will be maintained by the Registrar as agent for the Issuer.

Risk Factors	Investing in the Notes carries certain risks (see the section 8 of the Information Memorandum headed "Risk Factors.")
Redemption or Redemption Date	As specified in the relevant Pricing Supplement.
Taxation	All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by, or any authority in, or of, Tanzania having power to tax, unless such withholding or deduction of Taxes is required by law.
Terms and Conditions	The Terms and Conditions of the Notes are set out in the section of this Information Memorandum headed "***Terms and Conditions.***"
Eligibility	The Notes may be offered to eligible Tanzanian and non-Tanzanian individuals and institutions, subject to applicable law, the terms of the relevant offer, and any restrictions set out in the relevant Pricing Supplement.

3.2. Rationale for the Medium-Term Note Programme

The Medium-Term Note (MTN) Programme is intended to provide the Issuer with a diversified and flexible source of medium to long-term funding. The Programme will support the Bank's balance sheet management objectives by broadening its funding base, enhancing liquidity management, and aligning the tenor of its liabilities with the maturity profile of its assets.

The Programme forms part of the Bank's long-term funding strategy and is expected to strengthen its capacity to support sustainable business growth while maintaining prudent financial and risk management practices.

3.2.1. Use of Proceeds

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds from Notes issued under the Programme will be applied for general corporate purposes, including:

- Funding the growth of the Bank's lending portfolio across corporate, retail and SME segments;
- Supporting liquidity and working capital requirements;
- Refinancing existing funding obligations and optimising the Bank's liability structure;
- Supporting treasury and asset-liability management activities;
- Investing in technology and digital banking capabilities; and
- Funding other strategic initiatives undertaken in the ordinary course of business.

3.2.2. Strategic Benefits of the Programme

The MTN Programme is expected to support the Bank's strategic priorities through three key areas:

- **Business Growth and Market Expansion**
  The Programme will provide funding to support the continued growth of the Bank's core business segments, including corporate, retail and SME banking. It will also enhance the Bank's ability to pursue new business opportunities and deepen customer relationships across its target markets.

- **Digital Transformation and Operational Efficiency**
  Proceeds may be utilised to support investments in digital platforms, technology infrastructure and process improvements that enhance customer experience, strengthen operational efficiency and improve service delivery.

- **Funding Diversification and Financial Strength**
  The Programme will diversify the Bank's funding sources and provide access to stable medium and long-term capital. This is expected to strengthen the Bank's funding profile, support prudent liquidity management and enhance its ability to execute its growth strategy while maintaining a resilient balance sheet.

The MTN Programme provides the Bank with a flexible funding platform that supports sustainable growth, strengthens its financial position and enhances its ability to meet the evolving needs of customers and stakeholders. The Programme is expected to contribute to the long-term creation of shareholder value while supporting economic development in the markets in which the Bank operates.

3.2.3. Management of Proceeds

The management and allocation of proceeds from each tranche of Notes will be subject to the Issuer's internal governance, treasury policies, risk management framework and applicable regulatory requirements.

Pending application of the proceeds for the relevant purposes, unutilised amounts may be held in cash or invested in short-term liquid instruments, including government securities, interbank placements or other liquid assets, in each case in accordance with the Issuer's treasury policies and applicable law.

4. OVERVIEW OF THE ISSUER'S OPERATING ENVIRONMENT

This section reviews Tanzania's macroeconomic conditions and the performance of its capital markets. It outlines the country's sustained growth, policy stability, and expanding financial market activity to provide context for the Bank's operations and MTN Programme.

4.1. Tanzania Economic Overview[1]

Tanzania's economy continues to show resilience and growth potential, making it an attractive destination for private sector investment. Following 2025, where full year GDP growth reached 6.0% and peaked at 6.4% in the third quarter, the momentum has carried into the early months of 2026. Official estimates for Q1'2026 point to a 6.2% growth rate in Mainland Tanzania, driven primarily by construction, agriculture, financial and insurance services, and tourism. This expansion is supported by a reliable power supply, strong export performance, and a business climate shaped by consistent government policies and steady investment.

Inflation remains well contained and stays comfortably within the 3% to 5% target set by the Bank of Tanzania, despite facing upward external supply shocks. Headline inflation stood at 4.0% in April 2026, up from 3.2% in March, primarily driven by rising domestic transport and fuel pump adjustments due to Middle East geopolitical tensions. This level remains fully consistent with the East African Community (EAC) and the Southern African Development Community (SADC) convergence criteria. While food inflation stood at 5.7%, core inflation increased to 3.1%, reflecting the pass-through effects of elevated crude oil prices. This stability allowed the central bank to maintain a cautious monetary policy stance by holding the Central Bank Rate at 5.75% for Q2'2026, while narrowing the policy corridor from ± 200 basis points to ± 150 basis points to improve interest rate transmission.[2] Additionally, the extended broad money supply (M3) expanded 22.0% over the 12-month period ending April 2026, to TZS 65.10 trillion, providing ample liquidity for financial activity to increase without destabilizing prices.

On the external side, the economy has benefitted from better exchange rates and rising export earnings. Total exports of goods and services rose by 13.5% to USD 18.88 billion for the 12-month period ending April 2026 (compared to the 12-month period ending April 2025). This was led by significant gains in gold, which reached USD 5.27 billion due to favourable global prices, and tourism receipts. This performance, combined with managed import bills, helped narrow the current account deficit to 2.2% of GDP for the 12-month period ending April 2026. While the Tanzanian Shilling depreciated against the United States Dollar to reach an average of TZS 2,612.46 in April 2026, this adjustment improved formal market operations and helped keep exports competitive, heavily insulated by USD 5.72 billion in gross foreign reserves providing 4.4 months of import cover.

4.2. Overview of Tanzania's Banking Sector

Commercial banks' balance sheet continued to expand in step with the monetary aggregates. At the end of 2025, the sector's total assets stood at TZS 79.4 trillion. Growth carried into early 2026 as banks

---

[1] Bank of Tanzania - Monthly Economic Review (May 2026), National Bureau of Statistics (NBS)

[2] Bank of Tanzania - Monetary Policy Report (April 2026)

absorbed the surge in deposits and foreign currency inflows from exports and government securities holdings. Claims on the private sector rose 23.2% YoY, reaching TZS 49 trillion as of May 2026.[3] This pace was only marginally lower than the 23.6% YoY growth recorded in April 2026, showing steady rather than accelerating momentum.[4]

Deposit mobilisation kept close pace with M3 growth expanding at a rate of approximately 25% YoY for the period ending May 2026. The overall commercial banking time deposit rate averaged 8.43% , while negotiated rates for larger placements stood at an average of 11.25%. On the asset side, the overall lending rate held at 15.32% and the negotiated rate at 11.90% during the same month. The resulting short-term spread narrowed slightly to 5.22%, reflecting both competitive pricing for high quality borrowers and the fact that banks could fund themselves cheaply in a liquid system. Banks' holdings of government securities also expanded to 28.4%, providing a stable, low risk income stream while Treasury Bill and Bond Auctions maintained adequate subscription levels driven by institutional demand.

Credit growth was broad-based across economic sectors, revealing clear patterns where demand and policy support aligned. For the 12-month period ending May 2026, the transport and communication sector posted the strongest expansion at 44.6% YoY, followed by trade at 35% YoY, and agriculture at 30.9% YoY. Personal loans, largely extended to micro, small and medium enterprises (MSMEs), continued to dominate the credit landscape, accounting 34.7% of private credit, followed sequentially by trade (14.9%) and agriculture (13.8%). The structural asset quality of the banking system recorded significant improvement, with the industry's non-performing loan (NPL) ratio registering as low as 2.9% as of May 2026, in line with the central bank's maximum regulatory threshold of 5.0%.[5]

The interbank cash market functioned smoothly, with the central bank mandating that the 7-day interbank rate evolve tightly within its newly compressed corridor target of 4.25% to 7.25% around the 5.75% CBR during the second quarter of 2026. Reverse repo usage remained balanced in May 2026, signalling that commercial banks held adequate shilling liquidity and were less reliant on such facilities. This stability also extended to the interbank foreign exchange market, where orderly transaction activity picked up as banks adjusted their institutional foreign exchange positions without needing central bank intervention.

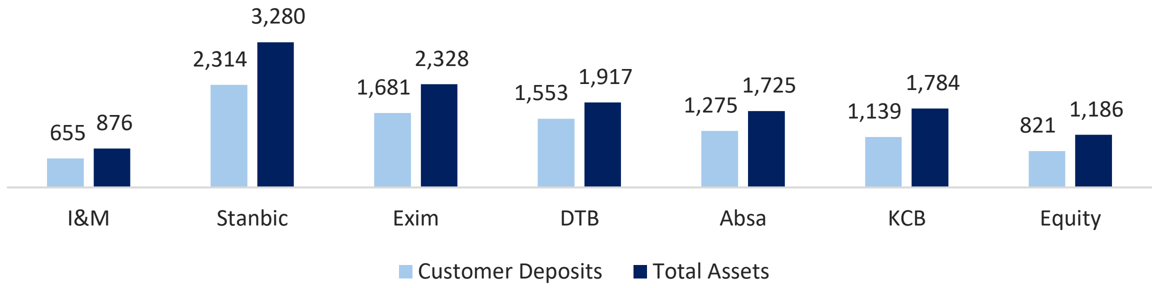
The exchange rate path remained unchanged. The modest annual depreciation helped exporters while the reserve cushion prevented disorderly moves. Banks' foreign currency deposits grew 13.92% YoY for the 12-month period ending May 2026, providing natural hedging capacity for trade related lending and limiting open position risk.

Banks continues to hold a sizable share of domestic debt (commercial banks accounted for roughly 28.4% of the government's domestic stock as of H1'2026).[6] This structural layout gives banks a liquid

[3] Bank of Tanzania – Monthly Economic Review (June 2026)
[4] Bank of Tanzania – Monthly Economic Review (June 2026)
[5] Bank of Tanzania – Monetary Policy Report (July 2026)
[6] Bank of Tanzania – Monthly Economic Review (June 2026)

asset class while ensuring the government can finance its development budget at predictable rates. Profitability for the year 2025, showed net income after tax rising 21% to TZS 2.62 trillion, consistent

Figure 1: Peer Group Comparison Dec 2025 (TZS Billions)



with the wider net interest margins and controlled operating costs.[7] Payment and settlement systems operated without interruption, supporting the rapid growth in digital transactions that now complement traditional branch networks.

The Issuer is well-positioned to leverage its membership in the broader I&M Group to drive local expansion and increase its market share. While the Bank currently operates with a more compact balance sheet, with total assets of TZS 954 billion and customer deposits of TZS 610 billion as of December 2025, it benefits from the Group's extensive regional network in Kenya, Rwanda, Uganda, and Mauritius. This connection allows the Tanzanian unit to facilitate seamless cross-border trade and serve regional corporate clients, providing a level of technical expertise and capital backing that belies its current local size. The gap between I&M Bank (T) Ltd and larger peers, such as Exim with TZS 3,970 billion in assets, represents a significant growth opportunity, rather than a limitation. By tapping into the Group's shared digital infrastructure and regional trade finance products, I&M Bank (T) Ltd can aggressively compete for larger mandates and high-value deposits. This strategy provides the necessary runway to scale its asset base and transition from its current niche position toward becoming a more dominant force in the Tanzanian banking sector.

The banking sector sits at the intersection of steady economic momentum, amply system liquidity, and contained credit risk. Private sector credit has grown in line with the money supply expansion, deposits have funded that growth without squeezing margins excessively, and asset quality has held firm. The sector's ability to direct funds toward mining modernisation, trade, agriculture, and construction positions it to continue supporting the real economy through the remainder of 2026, provided external shocks remain limited and domestic policy settings stay consistent.

4.3. Capital Markets Overview

Tanzania's capital markets have continued to deepen, with the Dar es Salaam Stock Exchange showing increased activity in both equity and fixed-income segments. Total market capitalization has grown

---

[7] Bank of Tanzania Financial Stability Report – December 2025

steadily, crossing the TZS 30 trillion mark in early 2026 and reaching levels around TZS 34 trillion in April 2026, reflecting strong performances particularly in banking and industrial counters.[8]

The debt market has been the standout performer, anchored by government securities that serve as pricing benchmarks for private issuances. Auctions for Treasury bills and bonds remained heavily oversubscribed throughout 2025 and into 2026, reflecting robust domestic liquidity and investor appetite for risk-free assets. Recent examples include the January 2026 10-year Treasury bond auction, which saw bids exceed the tender by around 34% at a weighted average yield of 11.30%. Longer-duration instruments have attracted even stronger demand, the February 2026 25-year bond was oversubscribed more than fivefold in some cases, with yields ranging from 10.50% for the April 2026 10-year bond to 13.25% for the February 2026 25-year bond. These yields have eased gradually on the back of contained inflation and the Bank of Tanzania's steady central bank rate at 5.75%, creating a stable interest-rate environment that supports longer-term corporate fundraising.

Corporate bond activity has gained notable traction in this supportive setting. In 2025 several benchmark issuances demonstrated clear investor appetite for instruments linked to real economy needs. Azania Bank's Bondi Yangu raised TZS 63.27 billion at 12.50%. CRDB Bank's Samia Infrastructure Bond raised TZS 323.09 billion at 12.00% (the largest public corporate bond to date). Tanzania Commercial Bank's Stawi Bond raised TZS 140.24 billion at 13.50%. CRDB Bank also issued its AlBarakah Sukuk, raising TZS 125.90 billion at 12.00% plus USD 32.31 million at 6.00%. These deals, often tied to infrastructure, SME lending, or green projects, achieved subscription rates well above 200% and have maintained active secondary-market trading on the DSE. Within the first quarter of 2026, Equity For Tanzania Limited (EFTA) and First Housing Limited came to market looking to raise TZS 15 billion and TZS 5 billion, respectively. EFTA raised a total of TZS 33.04 billion, registering a subscription rate of 220.24%, signalling the appetite for such papers in the market.

Islamic finance has added further depth through sukuk issuances, broadening the investor base with Shariah-compliant options. Unit trusts and exchange-traded funds have seen strong uptake, supported by digital platforms and inclusive-finance initiatives, while recent regulatory reforms have improved liquidity, transparency, and settlement efficiency. iTrust Finance Limited, in favour of its Islamic division, Imaan Finance, recently closed a privately placed Sukuk, raising TZS 14.86 billion, registering a subscription rate of 297.2%. KCB Tanzania also came to market looking to raise TZS 10 billion through a Sukuk issuance. These issuances continue to illustrate the demand for Islamic financial products and signifies the development and growth of this market in Tanzania.

These developments signal improving market depth and liquidity. They create a supportive platform for corporate fundraising through instruments such as MTN programmes. The Bank's MTN Programme will allow it to tap this growing investor interest while advancing its priorities in SME lending, digital innovation, financial inclusion, and cross-border business.

4.4. Future Outlook

Looking ahead at the second half of 2026, Tanzania's banking sector enters a phase of measured expansion, with total assets and private sector credit on track to rise to 18%-22% for the year,

[8] Dar es Salaam Stock Exchange

supported by continued deposit inflows and the liquidity generated from gold export receipts. The ongoing war in Iran which has involved disruptions to shipping through the Strait of Hormuz, is the dominant external factor shaping conditions. The conflict has driven sharp increases in global oil prices, pushing Brent crude well above pre-war levels and feeding directly into higher domestic fuel and transport costs in Tanzania. This has kept food inflation elevated around 5.7% and limited the Bank of Tanzania's scope to ease the CBR below 5.75%, as any relaxation could quickly translate into broader price pressures that erode purchasing power and slow demand for personal loans as well as credit to trade and construction.

Concurrently, elevated gold prices have sustained strong export earnings, directly underpinning the 78.4% credit growth recorded in mining and quarrying as at March 2026, and 19.8% subsequently as of May 2026. Banks' expanded foreign currency deposit base, up 13.92% YoY as of May 2026, offer a buffer against exchange rate volatility, helping manage open positions in trade finance while the shilling has held around TZS 2,612 per USD with only modest depreciation. The sector's non-performing loan ratio, currently near 2.9%, provides headroom to weather any softening in manufacturing or construction disbursements should higher energy and fertilizer costs weigh on agricultural output or industrial activity further downstream.

Should the conflict remain contained or move toward a more durable ceasefire without prolonged closure of key energy routes, the banking system should maintain adequate liquidity, keep interbank rates in the 5% - 6% range, and retain its ability to channel funds into the mining modernisation, agriculture, and transport activities that continue to anchor annual GDP growth near 6%. However, a prolongation of the war or renewed disruptions in global energy and commodity markets would amplify imported inflation, compress margins on lending, and potentially concentrate credit growth even more heavily in the export-oriented segments that have benefitted so far. In this setting, the balance between domestic deposit momentum and the indirect transmission of higher oil and input costs from the Iran conflict will largely determine whether the sector's intermediation stays supportive of broad-based activity or tilts further toward the commodity driven pockets that have shown the strongest performance to date.

5. DESCRIPTION OF THE ISSUER'S BUSINESS

5.1. Overview of the Issuer

I&M Bank (T) Limited is a subsidiary of I&M Group PLC, a regional financial services group listed on the Nairobi Securities Exchange. I&M Group PLC has banking operations in Kenya, Rwanda, Uganda and Tanzania, and a joint venture in Mauritius through Bank One Limited. The Group provides corporate, business, retail and institutional banking services across East Africa and leverages regional capabilities, shared infrastructure and market relationships to support customers operating across the region.

I&M Bank (T) Limited was established in 2010 following the acquisition of CF Union Bank. Since inception, the Bank has developed its franchise in Tanzania with an initial focus on corporate banking and, over time, has broadened its business model to include retail, SME and digital banking capabilities. This evolution reflects management's strategy to diversify earnings, deepen customer relationships and respond to changing market conditions and customer preferences.

The Bank has invested in customer service capabilities, product development and digital channels in order to broaden access, improve service delivery and support business growth. Its operating model continues to combine relationship-led banking with technology-enabled delivery across its core business segments.

As part of the I&M Group, the Bank benefits from regional linkages, product expertise and group-wide support functions that enhance its ability to serve corporate and retail customers in Tanzania. The Bank's business strategy is focused on prudent growth, customer relevance, operational efficiency and disciplined risk management.

5.2. Issuer's Mission and Vision

Vision

To become a company where the best people want to work, the first choice where customers want to do business and where shareholders are satisfied with their investment.

Mission

To become partners of growth for all our stakeholders by:

- Meeting customers' expectations.
- Motivating and developing every employee &
- Enhancing shareholder value.

5.3. Principal Activities

The principal activity of the Bank is the provision of banking and related services as stipulated by the Banking and Financial Institutions Act, 2006. There has not been any significant change in the principal activities of the Bank during the financial year ended 31 December 2025.

5.4. Description of the Banking Business

I&M Bank (T) Limited offers a range of banking products and services to individuals, SMEs, corporate customers and institutions in Tanzania. Building on its foundation in corporate and business banking, the Bank has expanded its offering over time to include retail, SME and digital banking capabilities in order to serve a broader customer base. The Bank currently operates through the following principal business lines:

5.4.1. Corporate Banking

Corporate Banking is central to the bank's strategy, growth and client value proposition. Through a strong relationship management model, I&M Bank (T) Ltd partners closely with clients to understand their business operations, cash flow cycles, trade requirements and expansion plans. This enables the bank to structure practical financial solutions that support both daily business needs and long-term growth objectives.

By leveraging its East African network, trade finance capability, treasury expertise, digital platforms and client-focused service model, I&M Bank (T) Ltd supports businesses with products and services such as:

- Business Current Accounts and Bonanza Current Accounts
- Business Deposits
- Working Capital Finance Facilities
- Term Lending (Project Finance, Asset Finance)
- Trade Finance Facilities (LC/BG/SBLC/Document Collections/Invoice Discounting/Unsecured Bid Bond)
- Structured Trade Finance Facilities (CMA arrangement, 2 Years IFC LC, Supply Chain Finance)
- Cross Border Trade Support
- Government Payments
- Digital Banking & Channels

5.4.2. Retail Banking

5.4.2.1. Personal Banking

Through its Retail and Digital Banking business, I&M Bank provides a comprehensive suite of banking solutions designed to meet the evolving financial needs of individuals and households. The Bank is committed to delivering convenient, accessible, and customer-centric services that simplify everyday banking while supporting customers in achieving their savings, borrowing, investment, and lifestyle objectives.

Leveraging both physical and digital channels, I&M offers innovative products and services that enhance customer convenience, promote financial inclusion, and provide seamless banking experiences across multiple touchpoints.

The products and services offered under Personal Banking include:

- Moja Account – a flexible pay-as-you-go transactional account designed to provide customers with greater control, convenience, and value in managing their day-to-day finances.
- Everyday Account – a comprehensive banking solution that combines convenience, accessibility, and attractive benefits to support customers' daily banking requirements.
- Savings Accounts – designed to encourage disciplined savings and support customers in achieving their short- and long-term financial goals.
- Term Deposits – investment products offering competitive returns and flexible tenure options for customers seeking secure savings solutions.
- Cards – a range of Mastercard debit and prepaid card products providing secure, convenient, and globally accepted payment solutions.
- Personal Loans – tailored financing solutions designed to meet customers' personal, educational, medical, and lifestyle needs.
- Mortgages – home financing solutions that enable customers to acquire, construct, or improve residential properties.
- Rafiki Chat Banking (WhatsApp Banking) – an innovative banking channel that allows customers to access selected banking services through WhatsApp, enhancing convenience and accessibility.
- Safe Deposit Locker Facilities – secure storage solutions for customers seeking to safeguard valuable documents and personal belongings.

5.4.2.2. SME Banking Services

Recognising the critical role that Small and Medium Enterprises (SMEs) play in driving Tanzania's economic growth, innovation, and employment, I&M Bank offers dedicated banking solutions tailored to support businesses at every stage of their growth journey. Through its SME Banking proposition, the Bank provides flexible financing, efficient transaction banking services, and value-added business solutions designed to help entrepreneurs manage cash flows, expand operations, and achieve sustainable growth.

The Bank combines relationship-based banking with digital capabilities to deliver convenient, accessible, and cost-effective financial services that address the evolving needs of SME customers across various sectors of the economy.

The products and services offered under SME Banking Services include:

- Moja Biashara Account
- Zaidi Biashara Account
- Business Loans and Working Capital Facilities
- Asset Finance
- Cash in Transit Services
- Custodial Services
- Bancassurance Solutions
- Trade Finance Services
- Merchant and Payment Solutions

- Digital Banking Platforms

5.4.2.3. Select Banking

I&M Select Banking is the Bank's premium banking proposition designed for affluent and high-net-worth individuals seeking personalised financial solutions, priority service, and an enhanced banking experience. The segment is built around understanding customers' unique financial aspirations and providing tailored products and services that support wealth creation, preservation, and lifestyle needs.

Through dedicated relationship management, exclusive privileges, and access to specialised financial expertise, Select Banking delivers a seamless and highly personalised banking experience, enabling customers to manage their finances efficiently while benefiting from premium banking solutions.

The product offerings under Select Banking include:

- Select Transactional Accounts
- Term Deposits and Structured Investment Solutions
- Unsecured Personal Loans
- Mortgage and Personal Lending Solution
- Mastercard World Elite Debit Cards
- Wealth Management Solutions
- Investment Advisory Services
- Foreign Exchange Services
- Priority Banking and Dedicated Relationship Management
- Exclusive Lifestyle and Travel Benefits
- Digital and Mobile Banking

5.4.2.4. Distribution Network and Channels

I&M Bank has made significant investments in digital transformation to provide customers with convenient, secure, and seamless banking experiences across multiple channels. The Bank's digital ecosystem enables customers to access banking services anytime and anywhere, reducing reliance on physical branch visits while enhancing speed, efficiency, and customer convenience.

The Bank continues to strengthen its digital capabilities in line with evolving customer preferences and technological advancements, with a focus on delivering intuitive self-service solutions, real-time transaction capabilities, and enhanced customer engagement.

The Bank's digital banking channels include:

- Mobile Banking – A secure mobile application that enables customers to perform a wide range of banking transactions, including funds transfers to local, international, mobile wallets, bill payments, account management, card controls, and loan repayments.

- Internet Banking – A comprehensive online banking platform providing retail, SME, and corporate customers with secure access to accounts, payments, transfers, trade transactions, and reporting tools.
- Rafiki Chat Banking (WhatsApp Banking) – An innovative conversational banking platform that allows customers to access selected banking services, make inquiries, and perform local and wallet transactions through WhatsApp in a convenient and user-friendly manner.
- Agency Banking Network – Extending banking services beyond traditional branches through authorised agents, providing customers with convenient access to cash deposits, withdrawals, and other banking services.
- Automated Teller Machines (ATMs) – Offering 24/7 access to cash withdrawals, balance enquiries, fund transfers, mini-statements, and other self-service banking functions.
- Point of Sale (POS) Solutions – Supporting merchants and businesses with secure electronic payment acceptance solutions, enabling cashless transactions and improved customer convenience.
- Bulk Payment and Collection Platforms – Digital solutions that facilitate efficient salary payments, supplier payments, collections, and other high-volume transactions for business and institutional clients.

5.4.2.5. Digital Lending

The bank runs a digital lending products – Kamilisha and Jiboost in partnership with Airtel Money Tanzania and YABX Technologies.

The products integrate deeply with Tanzania's mobile money ecosystem, offering a secure, transparent, and data-driven lending solutions.

Since inception in 2023, the bank has disbursed over 100 million loans to over 7 Million customers expanding financial inclusion across Tanzania.

These solutions are delivering meaningful social and economic outcomes with 46% of our customers being women. Additionally, 49% of users are in rural areas, extending formal credit to traditionally under-served communities.

5.4.3. Treasury

The Treasury function plays a critical role in managing the Bank's balance sheet, liquidity, and market risks while providing clients with sophisticated financial market solutions. Through its Treasury desk, the Bank facilitates efficient foreign exchange and fixed income transactions, supporting both internal liquidity management and external client needs in an increasingly dynamic market environment.

Overview of the Treasury function

Liquidity Management

- Ensures the bank has enough cash and liquid assets to meet obligations (e.g., withdrawals, loan disbursements).
- Maintains liquidity buffers in cash or government securities.

- Conducts stress testing to prepare for adverse scenarios.

Funding & Capital Management

- Diversifies funding sources (retail deposits, wholesale markets, interbank loans).
- Optimizes capital structure to meet regulatory requirements and support growth.

Risk Management

- Interest Rate Risk: Uses gap analysis and hedging to protect margins when rates fluctuate.
- Foreign Exchange Risk: Manages currency exposures, especially for multinational banks.
- Credit & Market Risk: Oversees exposure to borrowers and market volatility.
- Provide hedging solutions to corporates via derivatives

Foreign Exchange Services

- Competitive FX offerings
- Execution of FX Spot, FX swaps and FX forward agreements

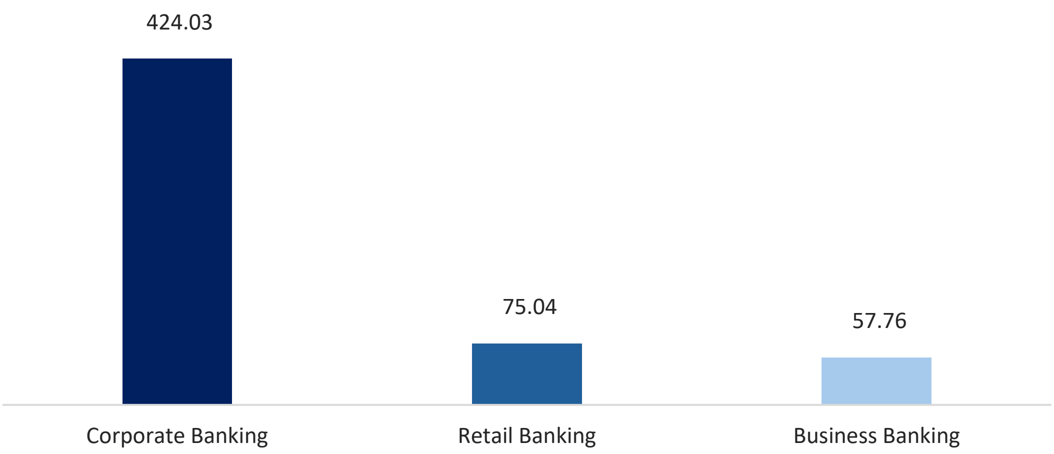
Fixed Income Desk

- Support customers to access fixed-income debt markets through dedicated expertise and deep market understanding.

5.4.4. Loan Book Composition as of 31st December 2025

5.4.5. 22nd JulyThe chart below presents the Bank's loan book by business segment and indicates that corporate banking remains the largest component of the portfolio, followed by retail and business banking. This reflects the Bank's historical focus on wholesale and corporate relationships, while also illustrating the gradual expansion of lending activities across additional customer segments.

Figure 2: Loan Book Composition (TZS Billion)



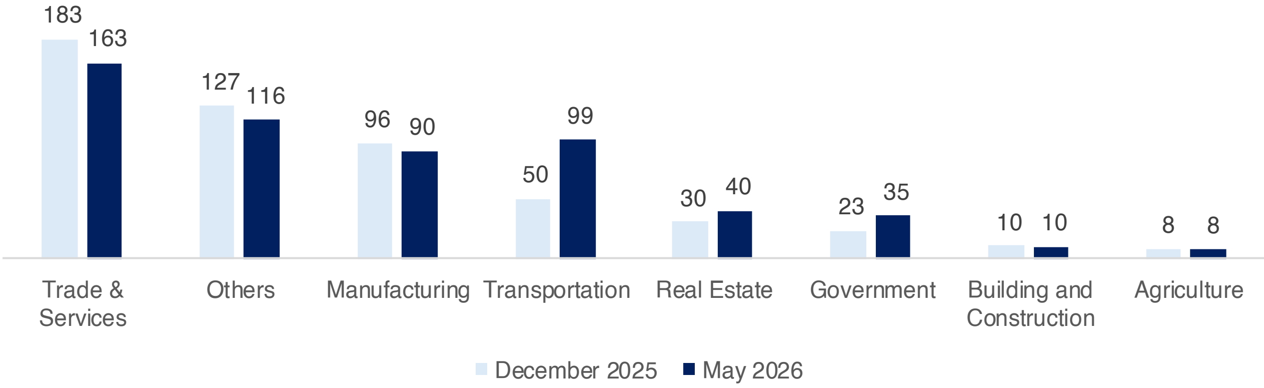
The relative weighting of the Bank's lending activities across segments also indicates scope for further diversification over time, particularly in retail and SME banking, subject to market demand, risk appetite, portfolio quality considerations and capital allocation priorities. The sectoral breakdown of the loan book illustrates the Bank's exposure across trade, manufacturing, transport and communication, personal lending, tourism and real estate. The composition reflects the Bank's participation in a range of sectors that are relevant to Tanzania's economy, while also providing a basis for portfolio diversification and ongoing monitoring of concentration risks.

5.5. Current and Future Development Plans

The Bank's current business development priorities include growing its loan portfolio in a measured manner across corporate and SME segments, broadening customer acquisition, strengthening fee-based income streams, and continuing investment in service delivery and operating efficiency. Management has identified a pipeline of lending opportunities which, subject to credit approval, customer demand and market conditions, may support further expansion of the Bank's earning assets.

The Bank's forward priorities include product refinement, selective introduction of additional services, continued digitisation of customer journeys and internal processes, and expansion of selected ancillary offerings that complement its core banking model. These initiatives are intended to enhance customer relevance, operational resilience and revenue diversification.

Figure 3: Loan Book by Sector (in TZS Billions)



5.6. Bank's Three-Year Strategy (2023–2026)

The Bank's medium-term strategy for the 2023–2026 period has focused on strengthening its position in core corporate and commercial banking segments while building relevance in retail and SME banking and enhancing digital capabilities. The strategy has also emphasised execution discipline, operational efficiency, customer experience, and prudent risk management.

Key strategic themes during the period have included customer-led product development, digitisation of service delivery and internal processes, targeted expansion in selected customer segments, and greater use of partnerships and group capabilities to support service breadth and regional connectivity.

6. SUMMARY OF FINANCIAL INFORMATION

6.1. Financial Highlights

The Issuer's financial information set out below has, unless otherwise indicated, been derived from its audited consolidated financial statements for the years ended 31 December 2023, 2024, and 2025, in each case prepared in accordance with IFRS as issued by the International Accounting Standards Board. Such summary should be read in conjunction with the financial statements and related notes.

6.2. Statement of Profit or Loss

TZS '000'	2025	2024	2023
Interest Income	122,887,699	97,877,323	72,535,670
Interest Expense	(36,037,504)	(31,155,661)	(25,381,444)
Net Interest Income	**86,850,195**	**66,721,662**	**47,154,226**
Fees & Commission Income	8,583,049	7,635,417	5,907,175
Fees & Commission Expense	(81,708)	(34,358)	(73,638)
Net Fees & Commission Income	**8,501,341**	**7,601,059**	**5,833,537**
Net Trading Income	8,437,266	7,736,463	6,654,703
Net Income arising from derecognition of financial assets measured at FVOCI	-	33,811	166,018
Net Change in Fair Value of Financial Assets Measured at FVTPL	198,524	11,220	36,470
Other Operating Income	14,514,904	6,993,130	4,356,991
Dividend Income	10,310	22,556	20,756
Total Income	**118,512,540**	**89,119,901**	**64,222,701**
Credit Impairment Losses	(31,418,751)	(21,875,943)	(23,535,391)
Net Operating Income	**87,093,789**	**67,243,958**	**40,687,310**
Employee Benefits	(20,056,849)	(16,892,625)	(14,616,516)
Premises & Equipment Costs	(975,994)	(1,195,087)	(891,164)
General Administrative Expenses	(39,398,479)	(26,381,930)	(16,491,899)
Depreciation & Amortization	(4,518,150)	(4,471,165)	(3,329,209)
Operating Expenses	**(64,949,472)**	**(48,940,807)**	**(35,328,788)**
Profit Before Tax	**22,144,317**	**18,303,151**	**5,358,522**
Income Tax Expense	(2,082,947)	(3,139,461)	(590,685)
Profit for the Year	**20,061,370**	**15,163,690**	**4,767,837**
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss:			
Fair Value Loss Arising During the Year	-	(6,061)	(70,574)
Gain on Government Securities- FVOCI reclassified to P&L	-	(16,430)	0
Tax thereon	-	6,747	21,172
Other Comprehensive Income, Net of Tax	-	**(15,744)**	**(49,402)**
Total Comprehensive Income for the Year	**20,061,370**	**15,147,946**	**4,718,435**

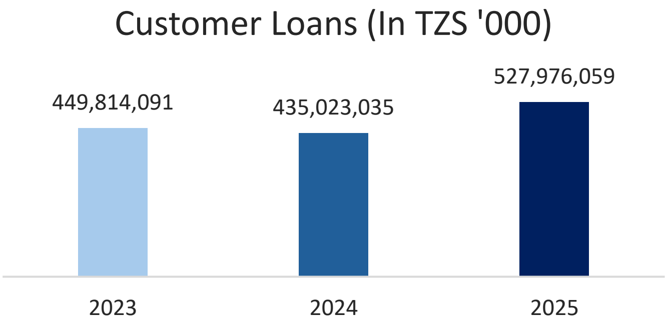
6.2.1. Statement of Financial Position

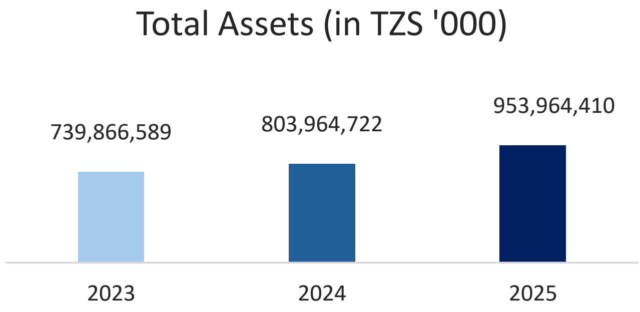
TZS '000'	2025	2024	2023
Cash & Balances with Central Banks	101,058,884	86,527,215	51,793,458
Loans and Advances to Banks	104,872,525	61,038,155	39,543,172
Loans and Advances to Customers	527,976,059	435,023,035	449,814,091
Due from Group Companies	9,828,215	7,730,343	3,765,445
Investment in Government Companies	148,543,604	167,364,861	156,485,373
Equity Investment at FVOCI	1,013,750	1,013,750	1,013,750
Current Income Tax Recoverable	4,208,087	2,461,684	2,500,938
Property and Equipment and Right of Use Asset	15,824,945	13,715,097	11,416,068
Intangible Assets - Software	4,478,523	3,136,665	3,170,904
Deferred Tax Asset	13,615,849	12,562,103	12,332,516
Other Assets	22,543,969	13,391,814	8,030,874
Total Assets	**953,964,410**	**803,964,722**	**739,866,589**
Deposits from Banks	64,844,761	57,529,859	20,026,776
Deposits from Customers	610,184,295	548,921,860	549,075,399
Due to Group Companies	82,915,005	50,862,574	45,535,149
Lease Liabilities	9,560,450	7,052,665	8,040,421
Provisions	879,990	879,990	-
Other Liabilities	15,793,556	15,687,795	9,306,811
Long Term Borrowings	16,171,180	3,276,176	3,276,176
Total Liabilities	**800,349,237**	**684,210,919**	**635,260,732**
Share Capital	37,754,016	23,954,016	23,954,016
Share Premium	31,528,228	31,528,228	31,528,228
Retained Earnings	84,062,925	56,143,597	27,152,132
Statutory Reserves	-	7,857,958	21,685,733
Fair Value Reserve	270,004	270,004	285,748
Total Equity	**153,615,173**	**119,753,803**	**104,605,857**
Total Liabilities & Equity	**953,964,410**	**803,964,722**	**739,866,589**

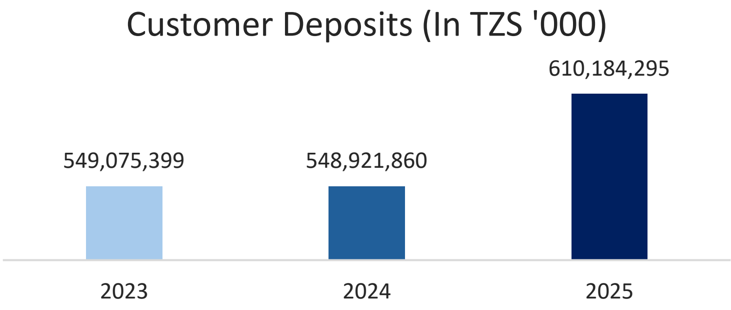
6.2.2. Statement of Cash Flows

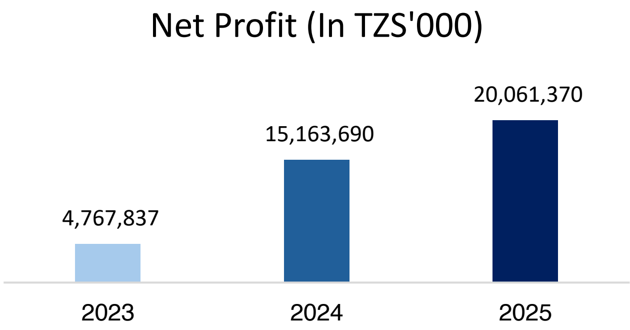
TZS '000'	2025	2024	2024 Adjustment	2024 Prev. Stated	2023
Net Cash Flows Generated from Operating Activities	**(45,195,559)**	**2,050,258**		**74,820,434**	**9,814,423**
Tax Paid	(4,883,096)	(3,329,794)		(3,329,794)	(2,670,000)
Interest on Lease Liabilities	(984,131)	(807,961)		(807,961)	(250,569)
Interest Received	119,816,809	99,221,699		-	-
Interest Paid	(33,228,538)	(29,126,494)		-	-
Net Change in Statutory Minimum Reserve			(2,430,553)	-	-
*Other Items			(244,418)	-	
Net Cash (Outflows)/Inflows from Operating Activities	**35,525,485**	**68,007,708**	**(2,674,971)**	**70,682,679**	**6,893,854**
Purchase of Property and Equipment	(1,449,450)	(4,086,202)		(4,086,202)	(183,060)
Purchase of Intangible Assets	(2,239,409)	(1,478,461)		(1,478,461)	(1,520,995)
Dividends Received	10,310	22,556		22,556	20,756
Proceeds from Sale of Property and Equipment	9,507	-		-	-
Net Cash (Outflows)/Inflows from Investing Activities	**(3,669,042)**	**(5,542,107)**		**(5,542,107)**	**(1,683,299)**
Payment of Lease Liabilities	(1,750,905)	(1,604,813)		(1,604,813)	(1,266,048)
Repayment of Long Term Borrowings	-	-		-	(9,487,473)
Interest on Long Term Borrowings	-	-	244,418	(244,418)	(1,283,274)
Proceeds from Issuance of Share Capital	13,800,000	-		-	14,200,016
Long Term Loans Received	12,425,000	-		-	-
Net Cash (Outflows)/Inflows from Financing Activities	**24,474,095**	**(1,604,813)**	**244,418**	**(1,849,231)**	**2,163,221**
Net Increase in Cash and Cash Equivalents	**56,330,538**	**60,860,788**	**(2,430,553)**	**63,291,341**	**7,373,776**
Cash and Cash Equivalents at the Start of the Year	**119,715,771**	**60,419,275**	**(25,111,576)**	**85,530,851**	**76,267,169**
Effect of Movements on Exchange Rates on Cash and Cash Equivalents Held	(1,554,996)	(1,564,292)	-	(1,564,292)	1,889,906
Cash and Cash Equivalents at the End of the Year	**174,491,313**	**119,715,771**	**(27,542,129)**	**147,257,900**	**85,530,851**

6.2.3. Financial Trends









6.2.4. Financial Ratios

Item	2025	2024	2023
Net Income Growth	32.30%	218.04%	*
Loans and Advances Growth	21.37%	(3.29%)	22.91%
Total Asset Growth	18.66%	8.66%	23.93%
Customer Deposit Growth	11.16%	(0.03%)	23.76%
Return on Average Equity	14.68%	13.52%	5.01%
Return on Average Assets	2.28%	1.96%	0.71%
Cost to Income Ratio	54.80%	54.92%	55.01%
Non-Performing Loans Ratio	4.03%	8.41%	17.31%
Tier 1 Capital Ratio	19.35%	17.95%	13.82%
Total Capital Ratio	19.35%	19.45%	18.26%

*The Bank made a turnaround from a loss of TZS 9.93 billion in FY2022 to a profit of TZS 4.77 billion in FY2023.

6.2.5. Borrowings

The borrowings are as follows:

- Tanzania Mortgage Refinance Company Limited (TMRC): long-term borrowing of TZS 3.25 billion split into to two tranches; (i) TZS 1.80 billion granted on 12 August 2022 at an effective rate of 7.5% for a tenure of 5 years and (ii) TZS 1.45 billion granted on 30 August 2022 at an effective rate of 7.5% at a tenure of 3 years.
- FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.): in August 2025, the Bank entered into a USD 10 million five-year senior debt facility with FMO. As at 31 December, the outstanding balance under the facility was USD 5 million.

TZS'000	2024	2025
TMRC	3,276,176	3,276,176
FMO	-	12,895,004
	3,276,176	**16,171,180**
Maturity:		
Less than one year	26,176	1,883,696
One to five years	3,250,000	14,287,484
	3,276,176	**16,171,180**
Loan Movement Schedule:		
At 1 January	3,276,176	3,276,176
Proceeds	-	12,425,000
Interest Paid	(244,418)	(468,635)
Interest Expenses	244,418	833,988
Translation Difference	-	104,651
At 31 December	**3,276,176**	**16,171,180**

7. CORPORATE GOVERNANCE AND MANAGEMENT

7.1. Corporate Governance

All Directors and employees are required to adhere to the principles of the Code of Conduct in all their dealings on behalf of the Bank. The Code of Conduct is designed to ensure that all actions are undertaken in the best interests of the Bank and reflect a commitment to the highest standards of integrity, ethical conduct and compliance with all applicable laws and regulations.

The Directors are committed to the principles of good corporate governance and conduct the Bank's affairs in accordance with applicable laws, regulatory requirements and recognized best practice. In this regard, the Board confirms that:

- The Board meets regularly in accordance with a formally approved annual calendar of meetings.
- The Board retains full and effective control over the Bank and exercises oversight over executive management.
- The positions of Chairman and Chief Executive Officer are held by different individuals.
- The Chairman of the Board of Directors is non-executive; and

  The Board is responsible for strategic direction, policy approval, oversight of financial performance, and ensuring the adequacy of risk management and internal control systems.

Furthermore, the Board is responsible for ensuring the effectiveness of the Bank's internal control systems and risk management framework. Management is responsible for implementing and maintaining these systems, while the Board, through its committees, provides independent oversight. The Bank maintains internal audit, risk management, and compliance functions that operate independently of business units and report regularly to the Board and its committees.

The Bank is committed to responsible banking practices, including environmental and social risk management, financial inclusion, and ethical business conduct. Governance structures support the integration of sustainability considerations into business strategy and risk management.

7.2. Board of Directors

The Board comprises a mix of executive and non-executive directors, including independent directors, with an appropriate balance of skills, experience, and diversity.

S/N	Name	Nationality
1.	Mr. Madabhushi Soundararajan	Indian
2.	Mr. Alan Mchaki	Tanzanian
3.	Mr. Emmanuel Chacha	Tanzanian
4.	Mr. Zahid Mustafa	Pakistani
5.	Mr. Paresh Manek	Tanzanian
6.	Mr. Christian Shirima	Tanzanian

7.	Mr. Kihara Maina	Kenyan
8.	Mr. Jamhuri Ngelime	Tanzanian
9.	Ms. Nancy Riwa	Tanzanian
10.	Ms. Gauri Gupta	Kenyan
11.	Ms. Sarah Bisanda	Tanzanian

7.3. Director Shareholding / Related Party Disclosure

As of the date of this Information Memorandum, the following Director of the Bank held direct beneficial interests of its issued shares, as set out below:

Director	2025					
	Ordinary Class A Shares		Ordinary Class B Shares		Consolidated Shareholding	
	No. of Shares Held	%	No. of Shares Held	%	No. of Shares Held	%
Mr. Christian Shirima	139	3.91	1,556	4.55	1,698	4.49

7.4. Board Committees

The Board meets at least four times in a year with additional meetings convened as required. To support effective governance, the Board has established the following Board committees: Board Audit Committee (BAC)

i. Board Credit Committee (BCC)
ii. Board Nomination Remuneration Governance Committee (BNRGC)
iii. Board Strategy and Investment Committee (BSIC)
iv. Board Risk Committee (BRC)

7.4.1 Board Audit Committee (BAC)

This Committee assists the Board in fulfilling its oversight responsibilities in relation to financial reporting, reviewing the effectiveness of internal controls, audit processes and ensuring compliance with applicable legislation and the requirements of regulatory authorities. The Committee receives and reviews reports and follows up on closure of audit findings raised by the external auditors, internal auditors and the Bank of Tanzania. The Committee also oversees the independence and performance of external auditors.

The Committee meets at least four times during the year.

The Board Audit Committee is comprised of the following members:

Name	Position
Mr. Jamhuri Ngelime	Chairman
Mr. Alan Mchaki	Member
Ms. Sarah Bisanda	Member

7.4.2 Board Credit Committee (BCC)

This Committee assists the Board in fulfilling its primary responsibilities in reviewing the Bank's overall lending policy, conducting independent loan reviews, delegation and review of lending limits and is overall responsible for the management of credit risk and provides oversight of the Bank's credit risk framework, including policy approval, portfolio quality and large exposures. The Committee meets a minimum of four times a year.

The Board Credit Committee is comprised of the following members:

Name	Position
Ms. Gauri Gupta	Chairperson
Mr. Kihara Maina	Member
Ms. Nancy Riwa	Member
Mr. Paresh Manek	Member

7.4.3 Board Nomination Remuneration Governance Committee (BNRGC)

This Committee undertakes structured assessments of candidates for Executive Management, reviews human resources and remuneration policies, and oversees governance practices. The Committee also oversees Board composition, succession planning and governance policies.

The Committee meets at least twice in a year. The Board Nomination Remuneration Governance Committee is comprised of the following members:

Name	Position
Mr. Kihara Maina	Chairman
Mr. Paresh Manek	Member
Ms. Nancy Riwa	Member

7.4.4 Board Strategy and Investment Committee (BSIC)

The Board Strategy and Investment Committee supports the Board by providing guidance on the Bank's long term strategic direction and investment decisions. It is responsible for overseeing the implementation and alignment of the Bank's strategy, execution of strategic initiatives, capital allocation and major investments. The Committee was established in January 2025 and meets at least four times in a year.

The Board Strategy and Investment Committee is comprised of the following members:

Name	Position
Mr. Christian Shirima	Chairman
Mr. Kihara Maina	Member
Ms. Gauri Gupta	Member

Mr. Emmanuel Chacha	Member

7.4.5 Board Risk Committee (BRC)

Established effective January 1, 2025, this Committee oversees the Bank's enterprise-wide risk management framework, including strategic, credit, market, liquidity, operational, reputational, compliance, and emerging risks.

The Committee meets at least four times in a year. The Board Risk Committee is comprised of the following members:

Name	Position
Mr. Emmanuel Chacha	Chairman
Mr. Christian Shirima	Member
Ms. Nancy Riwa	Member
Ms. Gauri Gupta	Member

7.5. Board of Directors Profiles

Madabhushi Soundararajan – Board Chairman

Mr. Madabhushi Soundararajan has an illustrious banking career spanning approximately four decades, with experience in India, the United States of America, and Kenya since 1988. He has held senior executive and leadership roles, including Assistant Director, Corporate Finance at Standard Chartered Financial Services; Director, Corporate Banking at Commercial Bank of Africa (now NCBA); the first Managing Director of CFC Financial Services (now SBG Securities); and Managing Director of CFC Bank prior to its acquisition by Stanbic Bank in 2008.

He is currently the Country Head of the Meghraj Group of Companies in Kenya. Mr. Soundararajan also serves as an Independent Non-Executive Director of I&M Bank Kenya, a position he has held since 2009. In addition, he sits on the boards of GA Insurance, GA Life Assurance, GA Insurance Tanzania, and Car & General (Kenya) Plc. He previously served on the Board of the Central Depository & Settlement Corporation (CDSC) from 2004 to 2008.

He holds a Master of Arts degree from the University of Madras, India, and a Certificate in International Banking from New York University.

Alan Mchaki – Independent Non-Executive Director

Mr. Alan Rodrick Mchaki was appointed as an Independent Non-Executive Director of the Bank on 26 September 2016. He is a Fellow of the Association of Chartered Certified Accountants (UK) and a Certified Public Accountant in Tanzania. He serves as Chairman of the Board Risk Committee and is a member of the Board Audit Committee. He is also an Associate of the Eswatini Institute of Accountants.

Mr. Mchaki has over 30 years of professional experience in public practice with major accounting firms and in industry, including oil marketing, television broadcasting, healthcare, and mutual fund management, where he has held senior finance and directorship roles. He currently practices as an independent management consultant.

Emmanuel Chacha – Independent Non-Executive Director

Mr. Emmanuel Johannes was appointed as an Independent Non-Executive Director of the Bank in 2021. He serves as a board member of the Institute of Internal Auditors and was Chairman of the Audit Committee of the African Federation of Institutes of Internal Auditors (AFIIA) from 2019 to 2023.

He has been the Chief Executive Officer of Kepler Associates since 2011. Mr. Johannes holds certifications in Governance of Enterprise IT (CGEIT) and is a Project Management Professional (PMP). He also holds a Master of Business Administration from the University of East London.

Zahid Mustafa – Chief Executive Officer and Managing Director

Mr. Zahid Mustafa is an experienced banker with over 27 years in the industry and a strong track record in business development and growth. He has worked across multiple geographies, including Asia, the Middle East, and Africa.

He is known for his strong leadership capabilities, particularly in Retail, Digital, and Business Banking, and fosters a culture of innovation, customer-centricity, and teamwork. He is well positioned to drive the I&M Group's strategic ambitions in Tanzania.

Mr. Mustafa holds a Master of Business Administration from Lahore University of Management Sciences (LUMS) and a Bachelor of Chemical Engineering from the University of Engineering and Technology (UET).

Paresh Manek – Independent Non-Executive Director

Mr. Paresh Manek is a seasoned businessman with over 35 years of experience across various industries in Dar es Salaam. He has held key leadership roles, including Director and Managing Director positions in multiple companies, where he has driven business growth, strategic planning, and operational efficiency.

He is recognized for his strong financial management skills, problem-solving abilities, and expertise in business development. His leadership has contributed significantly to improved customer satisfaction and organizational performance.

Christian Shirima – Non-Executive Director

Mr. Christian Shirima was appointed as a Director of the Bank in 2023. He began his career at Precision Air Tanzania in 2013 as an Aircraft Maintenance Technician and has since held several progressively senior roles, including Maintenance Controller (2015), Senior Development and Reliability Engineer (2017), and Licensed Aircraft Maintenance Engineer (2019).

In 2021, he became Manager of the Workshop, and since 2023, he has been serving as Manager of Projects and Client Services.

Kihara Maina – Regional Chief Executive Officer

Mr. Kihara Maina was appointed as a Director of the Bank in 2023 and has served as Regional Chief Executive Officer since January 2023. He joined I&M Bank Kenya as Chief Executive Officer and Board member in May 2016.

Mr. Maina holds a Bachelor's degree in Mathematics from Moi University and an Executive MBA from the University of Chicago Booth School of Business. He began his banking career at Stanbic Bank Kenya in June 1993 and later joined Barclays Bank Kenya in 1997, where he held several senior leadership roles. Prior to joining I&M Bank, he served as Managing Director of Barclays Bank Tanzania.

Jamhuri Ngelime – Independent Non-Executive Director

Mr. Jamhuri Ngelime is a distinguished finance professional with over 35 years of experience across multiple sectors. He served as Director of Finance at the Bank of Tanzania until 2022, where he oversaw substantial financial assets and ensured compliance with international standards.

Previously, he was Chief Financial Officer at TANESCO, where he significantly improved financial performance and governance. He also played a key role in the privatization of major state enterprises while serving as a Senior Consultant for the Public Sector Reform Commission (PSRC).

Mr. Ngelime holds a Master's degree in Banking and Finance and is a Certified Public Accountant.

Nancy Riwa – Independent Non-Executive Director

Ms. Nancy Riwa is an experienced executive with a strong background in supply chain management, finance, and strategy. She currently serves as Country Head of Logistics at AB InBev Tanzania, leading a team of 300 across planning, warehousing, fleet, safety, and distribution.

She has previously held senior roles in finance and operations at Deloitte East Africa and Tanzania Breweries Group. Ms. Riwa holds an MSc in Finance from the University of Strathclyde, a BA (Honours) in Economics and Mathematics from Middlebury College, and a Postgraduate Diploma in Management Practice from Henley Business School Africa.

Gauri Gupta – Non-Executive Director

Ms. Gauri Gupta was appointed as a Director of the Bank on 5 February 2026. She holds a Bachelor of Commerce (B.Com), is a Chartered Accountant with the Institute of Chartered Accountants of India and is a certified International M&A expert accredited by the Institute for Mergers, Acquisitions and Alliances (IMAA). Bringing nearly 30 years of extensive experience in the banking and financial services sector, her expertise spans Credit, Risk Management, Finance, Product Development, Strategic Planning, Corporate Governance, and Sustainability.

Currently Group Director – Corporate Advisory & Sustainability at I&M Bank Group, she leads key strategic initiatives, including regional expansion and investor relations. Ms. Gupta also serves as a Non-Executive Director on several Group boards, including I&M Burbidge Capital Limited, I&M Capital Limited, and Giro SEZ Limited.

Sarah Bisanda – Independent Non-Executive Director

Appointed to the Board on 14 February 2026, Ms. Sarah Bisanda is a Chartered Accountant (SAICA, ICAN) and Certified Public Accountant (Tanzania) with over 18 years of distinguished experience in audit, financial management, and risk and governance advisory. Her career reflects a strong track record across diverse sectors including mining, manufacturing, FMCG, and pharmaceuticals shaping a well-rounded and commercially astute perspective.

She currently serves as Partner at Forvis Mazars Tanzania, following her role as Associate Director at PwC Tanzania, and has held senior audit positions across both Tanzania and Namibia. Sarah holds a Bachelor of Accounting (First Class) from the University of Namibia and a Postgraduate Diploma in Accountancy from Rhodes University, providing a strong foundation for a career defined by technical excellence and strategic insight.

7.6. Executive Management

The executive management team oversees the bank's key functions and operations. The members of the Management Team are listed below:

Below are the members of the Management:

S/N	Name of Director	Position
1.	Mr. Zahid Mustafa	Chief Executive Officer and Managing Director
2.	Ms. Veronica Magongo	Head of Finance
3.	Mr. Gabriel Mlinga	Head of Risk and Compliance
4.	Ms. Maria Gonsalves	Head of Legal and Company Secretary
5.	Ms. Aimtonga Adoplh	Chief Audit Executive
6.	Ms. Erica Mboya	Head of Human Resources
7.	Mr. Patrick Kapella	Head of Treasury
8.	Mr. Emmanuel Wilson	Head of Credit
9.	Ms. Shazia Rashid	Head of Corporate Banking
10.	Ms. Deepali Ramaiya	Actg. Head of Retail
11.	Mr. George Mahaba	Head of Operations
12.	Mr. Amiri Mziray	Head of ICT

7.7. Management Profiles

Zahid Mustafa – Chief Executive Officer and Managing Director

See Board of Directors' profiles.

Veronica Magongo, ACPA (T), MBA – Head of Finance

Ms. Veronica Magongo has over 20 years of experience in Audit and Finance. She has worked with First National Bank, NMB Bank Plc, Bank of Africa, and PricewaterhouseCoopers. She is experienced in Finance and Accounting, Financial Analysis, Business Process Reviews, Risk Management, Internal

Controls and Compliance, and Taxation. She is a Certified Public Accountant (CPAT), and she holds a Master of Business Administration and a Bachelor of Commerce, both from the University of Dar es Salaam.

Gabriel Mlinga – Head of Risk and Compliance

Mr. Gabriel’s banking career spans over 14 years during which he worked as Acting Head of Risk for Absa Bank Tanzania, Head of Operational Risk and Credit Risk Governance for Both Absa and Barclays Bank Tanzania. In his career, he has also held other roles including Internal Auditor at Exim Bank. Gabriel's areas of expertise include enterprise risk management, compliance, Internal Audit, Governance and Control. Gabriel holds a Bachelor of Business administration (BBA-Accounting) from Tumaini university of Dar-Es-Salaam, and he is a Certified Enterprise Risk Management Expert.

Maria Gonsalves – Head of Legal and Company Secretary

Ms. Maria Gonsalves is a seasoned legal professional with over 11 years of experience specializing in Banking Law. She has a strong background in corporate governance, regulatory compliance, and financial law, having worked with Diamond Trust Bank Tanzania PLC before joining I&M Bank Tanzania. Her expertise ensures the Bank remains aligned with legal and industry standards while navigating complex regulatory landscapes. Maria is an Advocate of the High Court of Tanzania and all subordinate courts. She holds a Bachelor of Laws (LL. B) degree from Tumaini University Dar es Salaam College (TUDARCo). She is a member of the Tanganyika Law Society and East Africa Law Society.

Aimtonga Adolf, ACPA (T) – Chief Audit Executive

Ms. Aimtonga Adolf joined I&M Bank Tanzania in May 2005 and currently holds the position of Chief Audit Executive the position she holds to date. Before joining the Bank, she worked as a Senior Internal Auditor at Mangesho and Company, an Accounting and Auditing consultant firm. She is a Certified Public Accountant registered with the National Board of Accountants and Auditors [NBAA] as an Associate Certified Public Accountant (ACPA). She holds a Master degree in Business Administration (MBA) from the University of Dar es Salaam [UDSM].

Patrick Kapella – Head of Treasury

Mr. Patrick Kapella joined the bank in 2015 . He is a financial market professional with more than a decade of experience in Treasury Sales and Operations and joined the bank in 2015 as the Head of Treasury. Mr. Patrick is an MBA (Finance and Banking) from Mzumbe University (Tanzania) and a certified member of ACI, a well-known Financial Markets Association. He has previous experience with First National Bank Tanzania as a Chief Dealer. His areas of expertise include Foreign Exchange Risk Management, liquidity management and driving corporate relationships in the Treasury aspects.

Emmanuel Wilson, CPA (T) – Head of Credit

Emmanuel’s banking career spans 15 years during which he has worked as the Head of Risk & Compliance for I&M Bank T Limited (February 2018 – January 2023), Head of Risk for African Banking Corporation (BancABC) (February 2013 – January 2018) and Bank Examiner for Bank of Tanzania (June 2008 – January 2013). Emmanuel’s areas of expertise include risk management, compliance, credit risk, and bank supervision. During his tenure at BoT, he was instrumental in the development of supervisory and regulatory frameworks governing the financial services industry in Tanzania. He is a

Certified Public Accountant (CPA-T) registered with the National Board of Accountants and Auditors (NBAA) and holds a Master of Business Administration (Finance) and a Bachelor of Commerce (Bcom-Accounting) from the University of Dar-Es-Salaam.

Erica Mboya – Head of Human Resources

Ms. Erica W. Mboya has over 11 years of rich experience in the Human Resources Management Field, in the Tanzania Banking Industry. She has worked with Stanbic Bank Tanzania and NMB Bank Plc, under different capacities, with demonstrated performance in areas of Manpower Planning & Resourcing, Performance Management, Driving Human Resources Strategies, Talent Management and Employee Relations. Ms. Erica is a Senior Certified HR Professional (SHRM), and she holds a Bachelor's Degree of Public Administration in Human Resources Management from Mzumbe University.

Shazia Manji – Head of Corporate Banking

Ms. Shazia Manji brings over 14 years of extensive experience in Corporate Banking within Tanzania's banking sector. She has worked at leading financial institutions including Diamond Trust Bank Tanzania and NBC, where she has consistently demonstrated her ability to drive results and manage high-value client portfolios. She holds a Bachelor's degree in International Business Administration (Finance) from the United States International University (USIU).

Deepali Ramaiya – Actg. Head of Retail

With over 13 years of experience in the banking industry, Deepali Ramaiya serves as the Acting Head of Retail Banking, leading the bank's retail strategy, customer experience, digital transformation, and business growth initiatives. Deepali holds a degree in B.A (Economics) and is a Certified International Retail Banker (CIRB). Deepali brings extensive expertise across retail banking, transaction banking, product development, customer acquisition, digital channels, and relationship management. She is passionate about building customer-centric banking solutions that combine innovation, convenience, and financial inclusion to meet the evolving needs of individuals and businesses.

George Mahaba – Head of Operations

Mr. George S. Mahaba holds a Bachelor's degree in Accounting from the College of Business Education and is currently finalizing a Master's degree in Banking and Information Systems Management (MBISM) at the Institute of Finance Management (IFM). He is also a Certified Financial Educator (CFE) and has completed the Senior Management Leadership Development Program (SMLDP) at Strathmore University Business School.

He currently serves as Head of Operations at I&M Bank Tanzania, where he oversees the bank's operational functions in alignment with its strategic objectives. With 20 years of extensive experience in the banking industry, Mr. Mahaba has held various operational roles across several leading financial institutions, including Tanzania Postal Bank (now TCB Bank), Barclays Bank Tanzania (now Absa), and Commercial Bank of Africa (now NCBA).

Amiri Mziray – Head of ICT

Amiri Sultani Mziray is a technology executive and digital transformation leader with over 16 years of international experience across banking, financial services, telecommunications, fintech, and scientific research. As Head of ICT at I&M Bank, he leads the execution of the Bank's technology strategy, driving innovation, operational excellence and digital transformation initiatives that support business growth and enhance customer experience.

He holds a Bachelor's Degree in Communications Engineering from Beijing University of Posts and Telecommunications, a master's degree in electrical, Electronics and Information Engineering from Osaka University, Japan, and a master's degree in Photonic Networks Engineering from Aston University, United Kingdom. His previous leadership roles include Head of Strategy and Head of Special Projects at Simbanet, and Head of IT Infrastructure at Wananchi Business Services. Earlier in his career, he worked in research and development roles with renowned scientific institutions including CNRS (France), IHP GmbH (Germany), and NICT (Japan).

8. RISK FACTORS

In addition to other information contained in this IM, the Issuer believes that the following factors may affect its ability to fulfil its obligations for Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective investors should carefully consider all the information contained in this IM, including but not limited to the risks described in this Section and in the applicable Pricing Supplement before making any investment decision.

The risks described herein are not exhaustive and are not presented in any order of priority. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently considers immaterial, may also have a material adverse effect on the Issuer's business, financial condition, results of operations, or ability to meet its obligations under the Notes.

Neither the Capital Markets and Securities Authority (CMSA) nor the Dar es Salaam Stock Exchange (DSE) assumes responsibility for the adequacy, accuracy, or completeness of these risk disclosures.

The risks described below are categorized as follows:

(a) Risks relating to the country;
(b) Risks relating to the market;
(c) Risks relating to the Issuer; and
(d) Risks relating to the Notes.

The categorization is intended to assist investors in understanding the nature of the risks but does not indicate their relative importance or likelihood.

8.1. Risks Relating to the Country

The Bank's operations are substantially based in Tanzania. The country is considered a developing economy that may be characterized by considerable vulnerabilities to global changes in economic, geopolitics and social developments. These changes are more pronounced in a developing economy than in a developed economy. These developmental changes include unpredictable changes in national economic policies or laws and civil or social unrest.

As with any developing economy, these changes may impact all sectors of the Tanzanian economy and business community. Other economic factors that can affect the performance of the Tanzanian economy include increase in inflation and interest rates, deterioration of physical infrastructure, reduction in external assistance and changes in investment and fiscal policies. Any changes in the country's economic conditions could also affect the Issuer's operations, financial stance and performance of the Notes.

The Issuer cannot provide any assurance on future economic, geopolitical, and social developments in Tanzania. Investors should assess with ultimate care the risks involved in investing in the Notes prior to making an investment decision.

8.1.1. Macro-economic and Fiscal Risks

Tanzania's economy faces the following challenges, which could impact the Issuer's ability to service the Notes:

- Currency Volatility: The Tanzanian Shilling (TZS) depreciated by 3.14% against the United States Dollar, reaching TZS 2,570.24 in the 12-month period ending February 2026, before stabilizing at an average of TZS 2,612.46 in April 2026. Ongoing dollar strength and trade imbalance continue to exert pressure on the exchange rate.
- Inflation and Monetary Policy: headline inflation stood at 3.2% in February and March 2026 before ticking up to 4.0% in April 2026 due to global energy shocks. While within the range of 3% - 5% target range, any upward pressure from food or energy costs could lead to higher interest rates, increasing borrowing costs and tightening profit margins.
- Fiscal Deficits & Debt Sustainability: the national debt stock rose to USD 51.1 billion as of April 2025, from USD 45.8 billion as of June 2025. Rising deficits may increase domestic borrowing costs, potentially crowding out private credit and dampening loan demand.
- Commodity dependence— reliance on volatile commodities such as gold, agricultural produce, and tourism exports—exposes the economy to foreign exchange shortages if global prices fall, tightening USD liquidity for note repayments. Droughts and climate shocks further disrupt harvests, weakening earnings in the agricultural sector.

These factors may erode the Issuer's earnings, credit profile, and ultimately, Noteholders' returns.

Risk Mitigations

To address macroeconomic and fiscal risks impacting Tanzania's economy, the Issuer employs the following strategies:

- Currency Volatility Management: The Issuer maintains a diversified funding base, including access to foreign currency facilities through correspondent banks, to hedge against Tanzanian Shilling (TZS) depreciation. Foreign exchange risk is further mitigated through currency matching assets and liabilities, ensuring that USD-denominated Note obligations are supported by USD revenue streams or hedging instruments where feasible.

- Inflation and Interest Rate Risk: The Issuer actively monitors inflation trends and adjusts its pricing and lending strategies to maintain margins. The Board Risk Committee review regular stress testing to assess the impact of interest rate hikes on borrowing costs and debt servicing capacity.

8.1.2. Changes in Regulatory and Legal Framework Risk

The Bank operates in a closely regulated industry and is subject to a number of regulations. These include, but are not limited to, the Capital Markets and Securities Act, CMSA Guidelines, DSE Listing Rules, and directives issued by the Bank of Tanzania. Any failure to comply with applicable regulatory requirements may result in sanctions including fines, suspension of trading, or revocation of licenses, which may adversely affect the Issuer’s financial condition and ability to meet its obligations under the Notes.

The laws and regulations of Tanzania continue to evolve and are subject to change. Investors should carefully consider Tanzania’s political and regulatory landscape, which may change and introduce challenges to the Issuer’s operations. While the country has maintained relative stability, the future is not entirely certain. The potential for regulatory changes, including some tax reforms or foreign currency controls during economic stress, could disrupt the banking sector’s liquidity and profitability. Additionally, bureaucratic inefficiencies may hinder the Isser’s ability to recover non-performing loans or resolve disputes efficiently.

Risk Mitigation

To manage risks arising from changes in Tanzania’s regulatory framework, the Issuer adopts the following measures:

- Proactive Regulatory Engagement: The Issuer maintains open communication with the Bank of Tanzania and other regulatory bodies to anticipate and adapt to regulatory changes. Pre-issuance approvals for the Notes ensure compliance with current regulations, and a dedicated compliance team monitors amendments to Applicable Laws.
- Contingency Planning: The Issuer maintains contingency plans for regulatory shifts, including capital buffers, to absorb costs of restructuring Notes or adapting to new tax treatments. Legal counsel is engaged to clarify ambiguities in regulatory interpretations, reducing uncertainty for Noteholders.

8.1.3. Sovereign and Transfer Risk

The Issuer operates within the jurisdiction of Tanzania and is therefore exposed to sovereign risk, including the risk of changes in government policy, exchange controls, or restrictions on capital movements. Such measures could affect the Issuer’s ability to access foreign currency or transfer funds for the payment of principal or interest on the Notes.

8.1.4. Structural and Operational Risk

The economy’s heavy reliance on climate-sensitive sectors, particularly agriculture, exposes banks to elevated credit risks. Droughts, floods, and shifting weather patterns threaten crop yields and rural incomes, which would weaken loan repayment rates and increase non-performing loans in agricultural portfolios in the banking industry.

For Noteholder, these structural risks could lead to, higher operational costs for the Issuer, pressuring profitability, asset quality deterioration if climate shocks impair borrowers, and liquidity constraints due to shallower financial markets compared to developed markets.

Additionally, the Issuer is exposed to climate-related risks, including physical risks (such as extreme weather events) and transition risks (including regulatory, market, and technological changes associated with the transition to a low-carbon economy). These risks may impact borrower performance, asset quality, and the Bank's financial position. While the Bank continues to integrate climate risk considerations into its risk management framework; however, there are no assurances that such measures will fully mitigate the impact of climate-related risks.

Risk Mitigation

To address structural and operational risks, particularly those related to climate-sensitive sectors, the Issuer implements:

- Diversified Loan Portfolio: The Issuer limits exposure to agriculture by diversifying lending across manufacturing, services, and other less climate-sensitive sectors. This reduces the impact of droughts, floods, or other weather-related disruptions on loan repayment rates.
- Climate Risk Integration: Credit risk models incorporate climate scenarios to assess borrower resilience.
- NPL Management: The Issuer maintains robust provisioning policies and actively manages NPLs through restructuring and recovery processes, ensuring that credit risks from climate shocks do not materially impact its financial position.

8.2. Risks Related to the Market

The Notes may be subject to various market-related risks that could affect their value, liquidity, and overall attractiveness to investors. These risks include, but are not limited to, the following:

8.2.1. Market Price Volatility

The market price of the Notes may fluctuate from time to time due to:

- Interest rate sensitivity: Since the Notes carry fixed coupon rates, their market value will fluctuate with fluctuations in the prevailing interest rates.
- Credit spread changes: Deterioration in the Issuer's financial condition or Tanzania's sovereign credit rating may widen yield spreads, lowering the Notes' price.

This may impact investors who need to sell before maturity, exposing them to market risk, and also creates coupon reinvestment risk, where periodic coupon payments may be reinvested at lower rates than the original yield, particularly during periods of declining interest rates

Furthermore, although an application will be made to list the Notes on the DSE, there is no assurance that an active secondary market will develop or be sustained. Limited liquidity may affect the ability of investors to sell their Notes at their desired prices.

8.3. Risk Factors Related to the Issuer

The Issuer operates in a highly regulated environment under the oversight of the Bank of Tanzania.

8.3.1. Compliance and Regulatory Risk

Regulatory risk refers to the potential financial, legal, or reputational consequences arising from non-compliance or non-conformance with laws, rules, regulations, ethical standards, or supervisory requirements applicable to the bank's operation from time to time.

Ambiguities in regulatory interpretations may also create uncertainty for Noteholders. Also, changes in regulations may – (i) require the Bank to restructure the Notes at additional cost, or (iii) reduce investor returns if tax treatments change.

Risk Mitigation

The Issuer mitigates compliance and regulatory risks through:

- Regulatory Alignment: The Issuer ensures that the Notes comply with Bank of Tanzania's capital requirements through pre-issuance consultations. Ongoing monitoring of regulatory developments allows the Issuer to adapt to changes without disrupting Noteholder returns.
- Compliance Training: Staff undergo regular training on regulatory requirements, ethical standards, and compliance protocols to minimize the risk of non-compliance. A dedicated compliance officer oversees adherence to supervisory requirements.
- Transparent Reporting: The Issuer provides timely and accurate disclosures to regulators and investors, reducing the risk of penalties or reputational damage from non-compliance.

8.3.2. Strategic Risk

Strategic risk refers to the potential adverse impact of the Bank's financial position and ability to service the notes due to failures in business planning, execution, or adaptation to changing market conditions. This includes risks from misaligned growth strategies, such as overly aggressive expansion without corresponding asset quality controls, or shifts in Tanzania's economic landscape that render the Bank's lending less profitable. Such scenarios could strain the Bank's earnings capacity and, consequently, its ability to meet coupon payments or maintain capital adequacy ratios.

Risk Mitigation

To address strategic risks, the Issuer employs:

- Robust Business Planning: The Issuer has a comprehensive Strategic Plan known as Imara 3.0. The Board and senior management conduct annual strategic reviews to align growth plans with market conditions. Proceeds from the Notes are deployed in accordance with approved business plans, focusing on sustainable lending practices.
- Stress Testing and Scenario Analysis: Monthly stress tests evaluate the impact of economic downturns, interest rate shifts, and sector-specific challenges on profitability and capital adequacy. These tests inform strategic adjustments to maintain Note servicing capacity.
- Monthly review of key strategic initiatives of the bank

8.3.3. Liquidity Risk

Liquidity risk arises from the possibility that the Issuer may not have sufficient liquid assets to meet its financial obligations as they fall due or may be unable to raise the funds in a timely and cost-effective manner. This could impair the Issuer's ability to make scheduled coupon payments or principal payments to Noteholders.

The Issuer's liquidity risk management framework includes the following key measures;

- Daily liquidity monitoring: Projections of cash flows (next day, weekly, and monthly) to ensure coverage of upcoming obligations, including Note payments and deposit withdrawals.
- High-quality liquid assets (HQLA) buffer: Maintenance of a portfolio of encumbered, marketable securities (e.g. government bonds) that can be liquidated to meet unexpected funding shortfalls.
- Regulatory compliance: Adherence to Bank of Tanzania's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements, with internal buffers exceeding minimum thresholds.
- Maturity profiling: Active management of debt maturities and deposit concentrations to avoid refinancing cliffs.
- Contingency funding: Access to committed credit lines from correspondent banks and participation in interbank markets for short-term liquidity needs.

Risk Mitigation

The Issuer's liquidity risk management framework, as outlined in the Risk Factors section, is further strengthened by:

- Liquidity Buffers: The Issuer maintains a high-quality liquid asset (HQLA) portfolio, including government securities, exceeding Bank of Tanzania's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements. These assets provide a buffer for unexpected funding needs.
- Diversified Funding Sources: The Issuer accesses interbank markets, committed credit lines, retail and corporate deposits to ensure liquidity. This diversification reduces reliance on any single funding source, mitigating refinancing risks.
- Proactive Maturity Management: The Bank actively manages debt and deposit maturities to avoid concentration risks, ensuring that Note payments are staggered and aligned with cash flow projections.

8.3.4. Operational Risk

Operational risk refers to the potential losses arising from inadequate or failed internal processes, people, systems, or external events, including cyber incidents, third-party service failures, fraud, or technology failures. Such disruptions could delay or prevent the Issuer from making timely payments to Noteholders or maintaining proper records of bond ownership. To manage these risks, the Issuer maintains comprehensive incident response protocols that include immediate escalation procedures for operational failures, dedicated teams to address disruptions, and insurance coverage for certain operational risk events.

The Issuer's operational risk management framework includes:

- Business continuity planning: backup systems and alternative processing arrangements designed to maintain critical operations during disruptions.

- Cyber-security protection: The Bank deploys advanced threat detection systems, encryption, and access controls to protect sensitive data and payment infrastructure. These measures reduce risks or cyber incidents that could disrupt financial transactions.
- Regular staff training programs reinforce operational risk awareness, including cybersecurity hygiene and fraud prevention, while treasury teams receive specialized training on debt instrument management.
- Process controls: Across all operations, the Bank enforces segregation of duties, reconciliation procedures, and approval hierarchies to prevent errors or fraud. These controls extend to treasury and capital markets activities related to Note servicing operations and reconciliation procedures between front, middle, and back offices.
- Third-party oversight: Due diligence and ongoing monitoring of vendors (e.g., IT providers, custodians) to mitigate risks from outsourcing. Service-level agreements ensure performance standards are met for systems supporting various operations including Note administration.

The Issuer's operational risk framework is subject to ongoing review by senior management and the Board to ensure it's continuing effectiveness in protecting investor interests.

Risk Mitigation

To manage operational risks, the Issuer enhances its framework with:

- Advanced Cybersecurity Measures: The Issuer invests in state-of-the-art cybersecurity infrastructure, including firewalls, intrusion detection systems, and regular penetration testing, to protect payment and Note administration systems.
- Robust Business Continuity: The Issuer maintains off-site data backups and redundant systems to ensure continuity of critical operations during disruptions. Regular drills test the effectiveness of business continuity plans.
- Vendor Risk Management: The Issuer conducts rigorous due diligence on third-party providers and enforces strict service-level agreements to ensure reliable performance of outsourced functions, such as IT.

8.3.5. Reputational Risk

The Bank acknowledges the significance of proactively managing and mitigating reputational risk. The Bank maintains robust risk management practices to identify, assess, and monitor potential risks to its reputation. This includes implementing internal controls, governance frameworks, and compliance measures to ensure adherence to regulatory requirements and ethical standards. The Bank continuously invests in training programs and resources to foster a culture of integrity and ethics across its workforce, emphasizing the importance of upholding the bank's reputation.

The Bank remains committed to upholding its code of conduct, executing its business ethically, and safeguarding the integrity of its reputation. Through proactive risk management practices, the Bank aims to mitigate the potential adverse impacts of reputational risk on its capital, earnings, and overall financial standing.

Risk Mitigation

To mitigate reputational risks, the Issuer implements:

- Transparent Communication: The Issuer provides regular updates to investors and stakeholders through financial reports, investor engagements, and public disclosures, fostering trust and confidence.
- Ethical Governance: A strong corporate governance framework, including a code of conduct and whistleblower policies, ensures ethical business practices and minimizes the risk of reputational damage.
- Stakeholder Engagement: The Issuer actively engages with customers, regulators, and the public through community initiatives and responsive customer service, maintaining a positive brand image.

8.3.6. Force Majeure Risk

The Issuer may be adversely affected by events beyond its control, including natural disasters, pandemic, war, civil unrest, terrorism, and other large-scale disruptions. Such events may impair the bank's operations, delay borrower repayments, disrupts markets, or restrict access to funding, potentially affecting the Issuer's ability to meet obligations under the Programme.

Although the Bank maintains business continuity and disaster recovery plans, and complies with regulatory requirements related to crisis management, there is no assurance that such events will not have material adverse effects.

8.4. Risk Factors Related to the Notes Issued

Prospective investors should consider carefully all the information contained in this IM and, in particular, the following risk factors specific to the Notes to be issued under this Programme;

8.4.1 Ranking of the Notes

Unless otherwise specified in the relevant Pricing Supplement, the Notes will constitute Senior unsecured obligations of the Issuer and will rank pari passu with other Senior unsecured creditors. In the event of insolvency, Noteholders will rank behind secured creditors.

8.4.2 Variety of Notes Structure Risk

The Programme has been established to provide the Issuer with the flexibility to issue multiple series of Notes over its duration. Each series may be structured with distinct features, such as fixed or floating interest rates, varying maturities, and different redemption structures to better align with prevailing market conditions and investor demand, as specified in the relevant pricing supplement. Consequently, the specific risks and rewards will vary between issuances. This section outlines common risks but does not provide an exhaustive description for every possible Note structure. The specific risks applicable to any given Series will be detailed in the relevant supplementary offer document.

Risk Mitigation

The Issuer is committed to transparency and clarity. All material terms and associated risks for each issuance will be fully and clearly disclosed in the relevant supplementary offer and pricing supplement, enabling investors to make a fully informed assessment for each individual investment.

8.4.3 Investor Suitability and Selective Relevance Risk

The Notes are designed for investors who understand and accept the risks associated with fixed-income securities and may be issued from time to time with different features and risk profiles that may not align with the investment objectives or capabilities of every investor. The suitability of an investment in a particular issuance under the Programme depends heavily on the investor's individual financial circumstances, risk tolerance, investment objective, and technical expertise.

Risk Mitigation

Prospective investors are advised to consult with independent financial, legal, and tax advisors to assess the suitability of an investment in the Notes issued under the Programme before committing capital.

8.4.4 Secondary Market Price Volatility

The Issuer intends to list the Notes on a recognized stock exchange, as indicated in the Pricing Supplement. However, the growth and performance of the secondary market for the Notes will depend on prevailing market conditions. The Notes are subject to interest rate and market risks, and their liquidity and trading value may be affected by volatility in the secondary market. Investors should be aware of the potential for limited market depth and price fluctuations before making an investment decision.

Risk Mitigation

As a mitigation, investors should be aware of the type of investment and market depth volatility of the investment prior to making an investment decision or should consult their investment advisor, stockbroker, lawyer, banker or any other financial consultant for investment guidance.

8.4.5 Early Redemption Risk

An investor can not initiate an early redemption of the Notes. However, the Issuer reserves the right to terminate the transaction prior to settlement date under specific circumstances. These include: (i) the occurrence of a force majeure event prior to finalization of the settlement process; or (ii) any event which in the Issuer's sole discretion, may prejudice the issue, the Issuer, or the Notes.

If the Issuer determines that the above-mentioned events have occurred, the transaction shall be terminated, and no party shall have any claim against another as a result of such termination. While this protects the Issuer in unforeseen circumstances, it may expose investors to the risk of unallocated funds or missed investment opportunities if the Notes are not delivered as expected.

8.4.6 Interest Rate Risk

The value of the Notes is inherently sensitive to movements in prevailing market interest rates. A rise in interest rates after the Notes are issued will typically cause their market value to decline, as newer debt securities may be issued offering higher returns. Conversely, a fall in interest rates may increase the market value of the Notes. This relationship means that investors may experience unrealized gains or losses if they need to sell the Notes prior to maturity. The monetary policy decisions of the Bank of Tanzania are the primary driver of domestic interest rate movements.

Risk Mitigation

Investors should consider their outlook on the direction of interest rates and their investment time horizon. The Notes may be most suitable for investors who intend to hold them to maturity, thereby receiving the full principal amount unless a default occurs, irrespective of interest rate movements.

8.4.7 Exchange Rate and Currency Risk

The Notes will be issued in Tanzanian Shillings (TZS) and United States Dollar (USD). Investors whose assets and liabilities are primarily denominated in a currency different from the Note's denomination face exchange rate risk. Depreciation of the Note's currency against the investor's home currency will reduce the effective return. Conversely, appreciation of the Note's currency may enhance returns. The Tanzanian Shilling is subject to fluctuations based on domestic economic conditions, foreign exchange reserves, and global market dynamics.

Risk Mitigation

Investor should carefully match the currency of the Notes with their own currency needs. The potential for currency volatility is a key consideration that should be integrated into the investment decision.

8.4.8 Legal and Regulatory Change Risk

The terms and conditions of the Notes are based on the laws and regulations in effect as of the date of this Information Memorandum. However, no assurance can be given regarding the impact of future changes in laws, judicial decisions, or administrative practices. Such changes may affect the rights of the Note holders, the tax treatment of the Notes, or the Issuer's obligations.

Prospective investors should note that any disputes involving the Notes will be subject to the jurisdiction of the relevant courts, as specified in the Information Memorandum.

8.4.9 Taxation Risk

This risk arises from the possibility of changes in Tanzanian laws or their interpretation, which may result in new or increased tax obligations, including withholding taxes, being imposed on payments of interest or principal under the Notes.

Risk Mitigation

Investors are advised to consult their tax consultants and obtain their expert opinion on the tax implications and changes in tax laws.

9 STATUTORY AND GENERAL INFORMATION

9.1 Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the Issue of the Notes, including but not limited to a resolution of the Board of Directors passed on 15th April 2026.

9.2 Incorporation

The Bank is incorporated in Tanzania under the Companies Act, Cap. 212 (Act. No. 12) R.E 2023, domiciled in Tanzania as a private limited company whose shares are not publicly traded.

9.3 Share Capital

As of December 2025, the Bank's paid up share capital was at TZS 37,754,016,000, which consists of Ordinary Class A and Ordinary Class B Shares. The Bank conducted a rights issue in 2025, raising TZS 13.8 billion, further solidifying the Bank's Capital base.

9.4 Shareholding Structure

The Company had a total number of authorised ordinary shares as of 31st December 2025 of 100,000 (TZS 1,000,000/- each) out of which 37,754 shares were issued, subscribed and fully paid.

Shareholder	2025					
	Ordinary Class A Shares		**Ordinary Class B Shares**		**Consolidated Shareholding**	
	No. of Shares Held	%	No. of Shares Held	%	No. of Shares Held	%
I&M Bank Limited	2,727	76.73	16,079	47.01	17,253	45.70
I&M Group PLC	688	19.36	16,565	48.44	18,806	49.81
Mr. Christian Shirima	139	3.91	1,556	4.55	1,698	4.49
TOTAL	**3,554**	**100.0**	**34,200**	**100.0**	**37,757**	**100.00**

9.5 Working Capital

The Directors believe there is sufficient working capital currently available for the Issuer to meet its ongoing obligations.

9.6 Significant or Material Changes

Save as disclosed in this Information Memorandum, there has been no significant change in the financial or trading position of the Company since the most recent financial statements presented in the Reporting Accountants Report.

9.7 Disposals and Acquisitions

As at the date of this Information Memorandum, there was no acquisition or disposal of material assets otherwise than in the ordinary course of business

9.8 Material Contracts and Litigation

The Bank has entered in material operation agreements with key counterparties, please refer to section 11, “Legal Opinion” with updated status on Material Contracts and Litigation.

9.9 Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the written consent of the holders of three-fourths of the issue shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings apply to every such separate meeting, provided that the necessary quorum is two persons at least holding or representing by proxy one-third of the issued shares of that class.

9.10 Annual General Meetings

The Bank is required to hold a general meeting every year as its Annual General Meeting (AGM) in addition to any other meetings in that year, specifying the meeting as such in the notices. Not more than fifteen months shall elapse between the date of one AGM and the next. All general meetings other than AGMs are called Extraordinary General Meetings. The Directors may convene such meetings whenever they see fit, or upon a requisition as provided by section 132 of the Companies Act.

9.11 Voting Rights

By a show of hands, every member present in person or by proxy (if the proxy is not a member) shall have one vote. On a poll, every member shall have one vote for every share of which they are the holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which names stand in the register of members. No member is entitled to vote at any general meeting unless all calls or other sums presently payable by them in respect of shares in the Bank have been paid.

9.12 Composition of Directors, the Election and Removal

Directors are appointed by the members in a general meeting, though the Board has the power at any time to appoint a person as a Director to fill a casual vacancy or as an addition to the existing Board, subject to retirement at the next AGM. The Bank may, by ordinary resolution of which special notice has been given, remove any Director before the expiration of their period of office regardless of any agreement between the Bank and such Director.

9.13 Borrowing Rights

The Directors may exercise all the powers of the Bank to borrow money and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof. They may issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability, or obligation of the Bank or of any third party. These borrowing powers are vested in the Board to ensure the Bank adequately fund its operations and strategic initiatives.

9.14 Conflicts of Interest

As at the date of this Information Memorandum, the Issuer is not aware of any conflicts of interest between the duties of the members of its administrative, management, or supervisory bodies and their private interests or other duties.

However, it is acknowledged that such conflicts may arise in the future, depending on the circumstances prevailing at the time of an offer or issue of Notes.

Any potential conflicts of interest that are considered material to an offer or issue of Notes will be disclosed in the relevant Pricing Supplement, together with details of the persons involved and the nature of such interests.

9.15 Expenses of the Programme

The indicative expenses for this Issue are as set out in the expenses schedule below and will be borne by the Issuer.

Indicative Cost	Amount in TZS
Advisors' fees*	1,700,000,000
Regulatory fees (a-d)	
a. CMSA evaluation fees	95,000,000
b. DSE Listing fees	12,500,000
c. CSD fees	10,000,000
d. ISIN fees	300,000
Marketing cost	120,000,000
TOTAL**	**1,937,800,000**

**Includes placement fees*

***Indicative total cost expenses represent 1.94% of the total Programme size*

10 TERMS & CONDITIONS OF THE NOTES

The following are the Terms and Conditions (the “Conditions” and each a “Condition”) of the Notes. The Conditions may be supplemented, amended, modified, or varied in accordance with the provisions of the relevant Pricing Supplement. The relevant Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of that tranche of Notes.

The Notes are issued subject to, an Agency Agreement (the “Agency Agreement”) between the Issuer, Fiscal and Paying agent (the “Calculation/Fiscal Agent”) and the Registrar. The holders of the Notes (the “Noteholders”) are deemed to have notice of and are entitled to the benefit of all the provisions of the Agency Agreement which is binding on them. Copies of the Note Documents are available for inspection at the Specified Offices of the Issuer.

All capitalised terms that are not defined in these Conditions shall bear the meaning ascribed to them in the IM, the Agency Agreement and in the relevant Pricing Supplement, unless the context otherwise requires. Copies of the Agency Agreement and the relevant Pricing Supplement are available for inspection at the Specified Office of the Registrar. The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Agency Agreement and the relevant Pricing Supplement.

All the Notes issued by the Issuer pursuant to the Agency Agreement and for the time being outstanding are hereinafter referred to as the “**Notes**” and the term “**Note**” is to be construed accordingly.

10.1 Form and Denomination

The Notes are issued in registered book form and are in denominations as specified in each relevant Pricing Supplement. The obligations of the Issuer in respect of each Note constitute separate and independent obligations which each Noteholder is entitled to enforce, subject to these conditions and Note Documents. In accordance with the prevailing DSE PLC Rules, the Noteholder’s registered CDS account will be credited with the amount of the Note. The Notes will be issued as Fixed Rate Notes or Floating Rate Notes which shall attract interest as specified in these conditions and the relevant Pricing Supplement.

10.2 Title

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note, subject to rectification for fraud or error. No Note will be registered in the name of more than two persons. A note registered in the name of more than one person is held by those persons as joint owners. Notes will be registered by name only, without reference to any trusteeship. The person whose name is entered on the Register is deemed as the Noteholder; except, if ordered by a court of competent jurisdiction or as required by statute to be treated as the absolute owner of the Note in all circumstances. (Whether or not payment under the Note is overdue and notwithstanding any notice of ownership or writing therein or notice of any previous loss or theft thereof). Adults can purchase a Note in trust for minors.

10.3 Transfer of Notes

All Notes will be issued as dematerialized securities within the meaning of the DSE PLC Rules and will therefore be transferable only in accordance with the prevailing DSE PLC Rules. No Noteholder may require the transfer of interest on any Note to be registered during a Books Closed Period.

10.4 Status of the Notes

Senior, Unsecured Notes: The Notes constitute direct, general, unconditional, and unsecured obligations of the Issuer. The Senior Notes rank, and will at all times rank, pari passu among themselves and equally with all other unsecured obligations (other than subordinated obligations (if any) of the Issuer from time to time outstanding, save only for such obligations as may be preferred by mandatory provisions of the Applicable Laws.

10.5 Interest

10.5.1 Payment of Interest

The Notes bear interest on their outstanding Principal Amount from the relevant Issue Date at the Interest Rates and Interest Periods determined below. Interest on each Note will be payable in arrears on the dates indicated in the relevant Pricing Supplement commencing on the Issue Date specified in such Pricing Supplement (each "Interest Payment Date") until the Principal Amount of each Note is repaid in full. If any Interest Payment Date falls on a day which is not a Business Day, the next following Business Day shall be substituted for such day. In these Conditions, "Business Day" means any day, other than a Saturday, Sunday or public holiday in the United Republic of Tanzania, and on which commercial banks are open for business in The United Republic of Tanzania. The period beginning on and including the "Issue Date" to but excluding, the first Interest Payment Date, and each successive interest period from and including an Interest Payment Date to but excluding the next Interest Payment Date is an "Interest Period".

10.5.2 Interest Rate

- Fixed Rate Notes: Each Fixed Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the "Fixed Rate Notes Rate of Interest") equal to the Rate of Interest specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Dates specified in the relevant Pricing Supplement. Each Fixed Rate Note shall cease to bear interest from the date of its redemption unless, upon due presentation thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate (if any) as specified in the relevant Pricing Supplement.
- Floating Rate Notes: Each Floating Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the "Floating Rate Notes Rate of Interest") equal to the sum of the applicable Floating Rates Note Reference Rate (hereinafter defined) plus the Floating Rate Notes Margin (hereinafter defined) specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Date(s)

specified in the relevant Pricing Supplement. The Calculation/Fiscal Agent will on the first day of the Interest Period for which Floating Rate Notes Rate of Interest will apply (the “Interest Rate Fixing Date”) determine the value of the relevant benchmark (the “Floating Rate Notes Reference Rate”) plus the relevant margin (the “Floating Rate Notes Margin”) and aggregate them to form the applicable Interest Rate. The Floating Rate Notes Reference Rate and the Floating Rate Notes Margin will be specified in the relevant Pricing Supplement. The Floating Rate Notes Rate of Interest payable from time to time for each Interest Period in respect of the Floating Rate Notes will be determined by the Calculation/Fiscal Agent (unless otherwise specified in the relevant Pricing Supplement) two Business Days before each Interest Payment Date and in the case of the first Interest Period, two days prior to the relevant Issue Date. Each Floating Rate Note shall cease to bear interest from the date of its redemption unless, upon due presentation thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate (if any) as specified in the relevant Pricing Supplement.

10.5.3 Calculation of Interest

The Interest payable in respect of any Note for any Interest Period shall be calculated by multiplying the product of the Interest Rate and the outstanding Principal Amount of such Note by the Day Count Fraction, unless Interest (or a different formula for its calculation) is specified in the relevant Pricing Supplement in respect of such Interest Period; in which case the Interest payable in respect of such Note for such Interest Period shall be the amount specified in the relevant Pricing Supplement (or be calculated in accordance with such formula).

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition:

If “Actual/365”. “Actual/Actual” or as per applicable currency day count convention as specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in a portion of the Interest Period falling in a non – leap year divided by 365) or as per applicable currency day count convention.

If “Actual/360” or as per the applicable currency day count convention specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360.

For the purpose of any calculation of Interest pursuant to these Conditions (unless otherwise specified in the Conditions or the relevant Pricing Supplement),

- All percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up),
- All figures shall be rounded to seven significant figures (with halves being rounded up) and
- All currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, “unit” means the lowest amount of the currency.

10.5.4 Notification of Rate of Interest and Interest

As soon as practicable after an Interest Determination Date, the Calculating Agent will cause the Interest Rate, the Interest Payment in respect of each Interest Period and relevant Interest Payment Dates and, if required to be calculated, the Final Redemption Amount or Early Redemption Amount to be notified to the Issuer, the Noteholders, any other Note Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange, and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than the fourth Business Day after all such determinations are complete. Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to these Conditions, the Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment), and such amendment will be promptly notified to the Noteholders in accordance with Condition 16 (Notices). If the Notes become due and payable under an Event of Default, the accrued Interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition, but no publication of the Interest Rate or the Interest so calculated need be made. The Calculation and determination of the Interest Rate or the Interest by the Calculation/Fiscal Agent shall (in the absence of manifest error) be final and binding upon all parties.

10.5.5 Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (Interest), by the Calculation/Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on all parties and (in the absence of the aforesaid) the Calculation/Fiscal Agent shall not be liable to the Issuer or the Noteholders in connection with the exercise or failure to exercise by Calculation/Fiscal Agent any of their respective powers, duties and discretions pursuant to such provisions.

10.5.6 Accrual of Interest

Each Note will cease to accrue interest from the date of its redemption unless, upon due presentation thereof, payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of: i. The date on which all amounts due in respect of such Note have been paid by the Issuer to the Note-holder (if no Issue and Paying Agent has been appointed under the Agency Agreement); and ii. The date on which all amounts due in respect of such Note have been received by the Issue and Paying Agent and notice to that effect has been given in accordance with Condition 10.14 (Notices) or individually.

10.6 Payment of Interest

10.6.1 Method of Payment to Noteholders

i. Payment of amounts due on the final redemption of the Notes (the “Final Redemption Amount(s)”) will be made in accordance with the prevailing DSE PLC Rules.

ii. Payments of amounts due on any prepayment of the Notes (the "Early Redemption Amounts") will be made in accordance with the prevailing DSE PLC Rules.

iii. Interest and Principal Amounts due on redemption shall only be payable to Noteholders registered as such on the Last Date to Register immediately preceding the relevant Interest Payment Date or relevant Redemption Date (as the case may be).

iv. Subject to Condition 10.6.1 (i), payment of Interest and Principal Amounts shall be made by the Paying Agent via electronic funds transfer to the account designated for the purpose by the Note-holder. In the event that for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 10.6 (Payments).

v. Cheques in payment of Interest and Principal Amounts shall be drawn on the Issuer or the Issue and Paying Agent and issued by the Issuer or the Issue and Paying Agent as the case may be. Payment of cheques shall be a valid discharge by the Issuer of the obligation upon it to pay Interest or the Redemption Amount on redemption, as the case may be. Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.

vi. Payments made by cheque will be made by cheque in the Specified Currency cheque and posted by registered post to the address (as recorded in the Register or to such other address as may have been duly notified in writing to the Issue and Paying Agent by the Note-holder in accordance with these Conditions not later than the relevant Last Day to Register) of the relevant Note-holder on the Business Day not later than the relevant due date for payment unless prior to the relevant Last Day to Register the relevant Note-holder has applied to the Registrar, and the Registrar has acknowledged such application for payment to be made to a designated Tanzanian Shillings account maintained by such Note-holder with a bank in Tanzania in which case payment shall be made on the relevant due date for payment by transfer to such account.

vii. Neither the Issuer nor any of the Agents will be responsible for any loss in transmission of any cheque posted by way of registered post, and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all the cheques so posted.

viii. All payments of principal Amounts and Interest in respect of the Notes are subject in all cases to any applicable laws, fiscal or otherwise in the place of payment, but without prejudice to the provisions of Condition 10.8 (Taxation). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

ix. If at any time a partial payment of any Principal Amount and/or Interest is made in respect of any Note, the Registrar shall endorse the Register with a statement indicating the amount and date of such payment.

10.6.2 Payments on Business Days and Late Payments

i. Where payment is to be made by electronic funds transfer to a Note-holder's account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following Business Day) will be initiated on the due date for payment.

ii. Where payment is to be made by cheque, the cheque will be posted by registered post on the Business Day immediately preceding the due date for payment.

iii. If (otherwise than by reason of the application of Conditions 10.6.2 (i) and 10.6.2 (ii) (a) payment of a Principal Amount is withheld or refused when due in respect of any Note, or (b) any Interest is not paid when due (the defaulted amounts mentioned in (a) and (b) above being referred to in this Condition as "Defaulted Amounts") then interest shall accrue on each such Defaulted Amount at the Default Rate and shall be paid to the person who is shown as the Noteholder on the relevant Record Date. "Default Rate" means the aggregate of the interest rate specified in the relevant Pricing Supplement for the specified Note plus a Default Rate Margin.

10.6.3 Interpretation of Principal Amount

Any reference in these Conditions to a Principal Amount in respect of the Notes shall be deemed to include as applicable:

- The Final Redemption Amount(s) of the Notes.
- The Optional Redemption Amount(s) of Notes; and
- Any premium and any other amount which may be payable by the Issuer under or in respect of the Notes.

10.6.4 Currency of Accounts and Payments

The currency of account and for any sum due from the Issuer hereunder is the Tanzanian Shilling, the United States Dollar, any successor currency, or as may be specified in the relevant Pricing Supplement.

10.7 Redemption and Purchase of Notes by the Issuer

10.7.1 Final Redemption

Unless previously redeemed or purchased and cancelled, each Note shall be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement (and which, unless otherwise provided in the relevant Pricing Supplement, is its nominal amount) on the Maturity Date specified in the relevant Pricing Supplement.

Any early redemption, amendment, or modification of the Notes shall be subject to prior notification to, and where required, approval from CMSA and/or DSE, and appropriate notice to Noteholders.

10.7.2 Redemption at the option of the Issuer

i. If the Issuer has specified in the relevant Pricing Supplement that it has an option to redeem any Notes, the Issuer may after the expiry of one (1) year from the relevant Issue Date and, in addition, after giving:

   a) not less than thirty nor more than ninety days' irrevocable notice to the Noteholders in accordance with Condition 10.14 (Notices); and

b) not less than seven Business Days before giving such notice, having given irrevocable notice to the Registrar; redeem the Principal Amount specified in such notice under the Notes then outstanding on the date specified by the Issuer in such notice (the "Option Redemption Date") at the Optional Redemption Amount specified in, or determined in the manner specified in, the relevant Pricing Supplement together with Interest accrued to (but excluding) the Option Redemption Date.

ii. In the case of a partial redemption of Notes, the Notes to be redeemed (the "Redeemed Notes") will be selected individually not more than thirty five days prior to the date fixed for redemption (such date of selection being referred to below as the "Selection Date") by lot drawn in such place and in such manner as the Registrar deems appropriate, subject to compliance with any applicable laws and the requirements of any stock exchange on which the Notes are listed, or any other regulatory requirements. In the case of a partial redemption, the notice referred to in Condition 10.7.2 (i) (a) shall contain a list of the serial numbers of Notes relative to the Redeemed Notes.

iii. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

iv. Where only a portion of a Note is being redeemed, redemption shall be in accordance with prevailing DSE PLC rules on partial redemption and the Note-holder's account shall reflect the unredeemed balance upon redemption.

v. So long as the Notes are listed on the DSE PLC and the rules of the DSE PLC and/or CMSA so require, the Issuer shall, once in every year in which there has been a partial redemption of the Notes, cause to be published in a leading English language newspaper of general circulation in the United Republic of Tanzania and/or as specified by the CMSA and/or DSE PLC, a notice specifying the aggregate nominal amount of the outstanding Notes.

vi. For the purpose of Condition 10.7.2 (and unless otherwise stated in these Conditions), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

a) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

b) in the case of Notes with either a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the relevant Pricing Supplement or, if no such amount or manner is so specified in the relevant Pricing Supplement, at their nominal amount. vii. Purchases. The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to any approvals required from the relevant stock exchange and/or the CMSA or to any restrictions under any applicable laws) be held, resold or, at the option of the Issuer, cancelled in terms of and in accordance with these Conditions. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorum at meetings of the Noteholders or for the purposes of Condition 10.15 (Meetings of Noteholders Modification and Waiver).

10.7.3 General: Cancellation

All Notes purchased by or on behalf of the Issuer may be cancelled by the Issuer after five (5) years from the date of purchase by informing the Registrar of the intention to have such Notes cancelled. Notes cancelled as aforesaid may not be reissued or resold and the obligations of the Issuer in respect of such Notes shall be wholly discharged.

10.8 Taxation

All payments in respect of the Notes may be made subject to withholding or deduction for or on account of any taxes in accordance with applicable Tanzanian law, including the Income Tax Act, where such taxes are applicable, unless exemption apply.

Refer to the relevant pricing supplement for applicable taxes.

10.9 Prescription

Claims against the issuer for payment in respect of the Notes will become void unless presented for payment of Principal Amount within a period of six years and for payment of Interest within a period of six years after the Relevant Date (hereinafter defined) thereof. “Relevant Date” means the date on which such payment first becomes due, except that if the full amount of the moneys payable has not been duly paid by or on account of the Issuer on or prior to such date, it means the date on which notice to that effect is duly given to Noteholders in accordance with Condition 10.14 (Notices). The amounts due under such void Notes will be dealt with in accordance with the provisions of the Bank of Tanzania Act, R.E. 2023 and the Banking and Financial Institutions, R.E. 2023.

10.10 Events of Default

An Event of Default shall have occurred in the case of Notes, if:

10.10.1 Non-Payment:

The Issuer fails to pay Principal Amount which is due in respect of the Notes or the Issuer is in default with respect to the payment of interest on any such Notes and such defaults continues for a period of seven (7) business days (provided that the Issuer shall not be in default if, during such a period, it satisfies CMSA that the amounts not paid were not paid (i) in order to comply with any applicable laws or order of any court or competent jurisdiction or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or acceptability given at any time during such period by independent advisors acceptable to the CMSA); or

10.10.2 Breach of Other Obligations:

The Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement under the Notes (other than non-payment under the Notes) and such default or breach (if capable of remedy) is not remedied within (30) Business Days (or such longer period as the CMSA may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the CMSA; or

10.10.3 Bankruptcy:

The Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into liquidation or winding up or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganization under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, liquidator or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its indebtedness, which event in any such case is (in sole opinion of the CMSA), materially prejudicial to the interest of the Noteholders; or

10.10.4 Substantial Change in Business:

The Issuer makes or threatens to make substantial change in the principal nature of its business as presently conducted which (in the sole opinion of the CMSA) materially prejudicial to the interests of the Noteholders; or

10.10.5 Maintenance of Business:

The Issuer fails to take any action as is required of it under the applicable laws or otherwise to maintain in effect its corporate existence or fails to take any action to maintain any material rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations which is (in the sole opinion of the CMSA) materially prejudicial to the interests of the Noteholders and such failure (if capable of remedy) is not remedied within thirty (30) Business Days (or such longer period as the CMSA may in its sole discretion determine) after notice thereof has been given to the Issuer; or

10.10.6 Material compliance with applicable laws:

The Issuer fails to comply in any material respect with any applicable laws to enable it lawfully to exercise its rights or perform or comply with its obligations under the Note Documents; or

10.10.7 Invalidity or Unenforceability:

i. The validity of the Notes or Note Documents is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes or the Note Documents (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or
ii. It is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Note Documents and the CMSA is of the opinion (determined on its sole discretion) that such occurrence is materially prejudicial to the interest of the Noteholders; or

10.10.8 Government Intervention:

All or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government.

10.11 Regulatory Consent

The Noteholders will not without the prior written consent of the Relevant Authorities:

- Purport to retain or set off at any time any amount payable in respect of the Notes against any amount otherwise payable by any of them to the Issuer except to the extent that payment of such amount in respect of the Notes would be permitted at such time under the conditions.
- Amend or waive or concur in amending or waiving the terms of the Note Documents whereby the Notes or any part thereof might be terminated, impaired or adversely affected; or
- Attempt to obtain repayment of the whole or any part of the amounts payable in respect of the Notes otherwise than in accordance with the terms of the Note Documents.

10.12 Authorized Collecting Agents

The Issuer has appointed Authorised Collecting Agents to the offer, all of whom have signed a Placing Agreement with the Issuer which sets out various terms and conditions with which each Authorised Collecting Agent is required to comply.

The Authorised Collecting Agents are either members of the DSE, licenced by the CMSA, Central Depository Agents approved by the DSE or commercial banks. The names of the members of the Authorised Collecting Agents are set out in “Appendix II” to this IM.

10.13 Application of Notes

Applicants wishing to apply for Notes must complete the appropriate physical Application Form or apply through the digital platform provided by the issuer or Authorized Collecting Agents. Applicants who do not have a valid CDS Account must complete the CDS Account Opening Form (CDS 1 Form) available at the issuer or any Authorized Collecting Agent.

Applications may also be made on behalf of minors. In such cases, the application shall be completed by a parent or legal guardian acting as custodian. The parent or guardian shall sign the Application Form on behalf of the minor, and coupon as well as principal repayment proceeds shall be credited to a bank account designated for the benefit of the minor. Where a minor does not have an existing CDS account, one shall be opened in the name of the minor with the parent or guardian recorded as custodian until the minor attains majority age, at which point full control of the account and the investment may be assumed by the minor.

Applicants who wish to subscribe through the digital platform provided by the Issuer or Authorized Collecting Agents, but do not have a CDS Account, may open one directly through the same platform in line with DSE and Central Depository System requirements. The digital process will require applicants to provide their personal information, valid identification documents, and bank account details for coupon and principal repayments.

10.14 Notices

Notices to the Noteholders will be deemed to be validly given if made by fax, short messaging service, electronic mail, delivered to them, or sent by registered post to them, and:

10.14.2. In the case of notices that are posted to holders of Notes, the notices will be valid if mailed to their registered addresses appearing on the Register. Any such notice shall be deemed to have been given on the seventh Business Day after the day on which it was posted.

10.14.3. In the case of any communication made by fax, the notice will be deemed to have been validly given when on the date following transmission (provided that the sender produces, if requested to do so, a fax transmission report showing that the entire communication was received by the intended recipient); or

10.14.4. In the case of delivery, the notice will be deemed to have been validly given when such communication or document is left with or delivered to the intended Noteholder at its address as recorded on the Register.

10.14.5. In case of short messaging service (SMS), the notice will be deemed to have been validly given when such SMS is sent to the intended Noteholder provided that an SMS which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.

10.14.6. In case of electronic email, the notice will be deemed to have been validly given when such electronic communication is sent to the intended Noteholder provided that a communication or document which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.

10.14.7. All notices regarding the Notes shall be published in a leading English newspaper expected to be of national circulation in the United Republic of Tanzania. Any such notice will be deemed to have been given on the date of the first publication in the newspaper. Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Note Agents.

10.15 Meeting of Noteholders, Modification and Waiver

The agency agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of modification of the Notes or certain provision of Agency Agreement. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 10.14 (Notices) as soon as practicable. Any such modification shall also be notified to the CMSA.

10.16 Governing Law and Jurisdiction

The agency agreement and the Notes are governed by, and shall be construed in accordance with, the Laws of Tanzania.

The Issuer agrees for the benefit of the Noteholders that the courts of the United Republic of Tanzania shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “Proceedings” and “Disputes”). Service of any summons or any other notice of legal process shall be received by the Issuer at its Specified Office

JOACHIM & JACOBS
ATTORNEYS AT LAW

11 LEGAL OPINION

Date: 23rd April, 2026

To: The Directors,
I&M Bank (T) Limited,
Plot 1046, Haile Selassie Road,
Masaki,
P. O. Box 1509,
DAR ES SALAAM.

RE: LEGAL OPINION IN RESPECT OF PROPOSED MEDIUM TERM NOTES PROGRAMME OF UP TO TANZANIA SHILLINGS ONE HUNDRED BILLION (TZS 100,000,000,000) TO BE ISSUED BY I&M BANK (T) LIMITED

1.0 Introduction:

1.1 We, **Joachim & Jacobs Attorneys**, a firm of advocates duly registered and practicing law in the United Republic of Tanzania and qualified to provide this legal opinion (hereinafter referred to as the **"Firm"**), have been engaged as **Legal Advisors** to provide legal opinion in respect of proposed issuance of the **Medium Term Notes Programme** of up to **Tanzania Shillings One Hundred Billion** (**TZS 100,000,000,000**) (hereinafter referred to as the "**Programme**" or "**MTN**") in I&M Bank (T) Limited (hereinafter referred to as the **"Bank"** or the **"Issuer"**) and the proposed issuance pursuant and subject to the Information Memorandum dated on or around the date of this opinion (the "**IM**").

1.2 The Programme contemplates the periodic issuance of Medium-Term Notes (the "Notes") by the Issuer to the public for the purpose of raising working capital, in accordance with the terms and conditions outlined in the Information Memorandum (IM) and any applicable Pricing Supplement.

1.3 The Programme may consist of up to three (3) tranches, each to be issued under the terms specified in the relevant IM, Pricing Supplement or any other related document issued in connection with the Programme.

1.4 The Notes will be issued in registered form and denominated in Tanzanian Shillings (TZS) and US Dollar (USD) in such amounts as may be indicated in the applicable Pricing Supplement.

Upon issuance the Notes shall be listed and admitted for trading on the Dar es Salaam Stock Exchange (the "DSE") in compliance with applicable requirements.

1.5 In providing this opinion (the "**Opinion**") we have relied on information obtained during the due-diligence investigation of the corporate standing of the Issuer and the business undertaking of the Issuer as set out in the IM.

1.6 This Opinion is rendered on the basis of the laws of Tanzania in force as at the date hereof and in reliance of the information provided to us by the Issuer. These include information relating to the corporate standing of the Issuer, business operations, litigations, contracts, assets, taxation, regulatory and compliance and such matters of fact and laws of Tanzania that are relevant to the Programme and an official search report obtained from the Companies Registry in respect of the Bank.

1.7 Save as otherwise defined in this Opinion, terms and expressions defined in the IM shall bear the same meanings when used herein and the principles of interpretation set out therein shall apply to this Opinion.

2.0 Documents, Statutes and Records Examined:

In providing this Opinion, we examined originals or certified copies of the following documents, in respect of the Issuer, to our satisfaction (hereinafter referred to as the "**Documents**"):-

2.1 Documents:

(a) The Information Memorandum dated 22nd July, 2026;

(b) The Agency Agreement;

(c) The Placing Agreement between the Issuer and iTrust dated 22nd July, 2026;

(all the above collectively the "**Programme Documents**")

(d) A copy of a circular resolution of the directors of the Issuer held on 9th February, 2026 authorizing, inter alia, the establishment of the Programme;

(e) A copy of the letter issued by the **Bank of Tanzania** (the "**BOT**") dated 14th May, 2026 with respect to the Programme (the "**BOT Letter of No Objection**");

(f) An original of the Issuer's official search report dated 08th April, 2026 obtained from the Business Registration and Licensing Agency (the "**BRELA**") (the "**BRELA Search Report**");

(g) An original of the Issuer's confirmation letter dated 23rd April 2026 (the "**Confirmation Letter**"), confirming that the Issuer has no material contracts, land ownership interests, material lease arrangements, or other material assets requiring disclosure in connection with the issuance of the Notes, other than as disclosed in the Issuer's financial statements and statutory filings;

(h) A certified copy of the approval letter issued by the CMSA dated 22nd July, 2026 in connection with the Programme and the IM ("**CMSA Programme Approval**"); and

(i) A certified copy of the approval letter issued by the DSE dated August, 2026 in connection with the Programme and the IM ("**DSE Programme Approval**").

2.2 Memoranda, Certificates and Approvals:

(a) A copy of the Issuer's Amended Memorandum and Articles of Association amended by Special Resolution of the Members of the Board dated 22nd February, 2013 and Special Resolution of the Shareholders of the Issuer dated 31st May, 2013 ("**Amended MemArts")**;

(b) A copy of the Issuer's Certificate of Incorporation No. 41958 in the name of CF Union Bank Limited dated 17th August, 2001;

(c) A copy of the Issuer's Certificate of Change of Name No. 41958 dated 14th September, 2010 changing the Issuer's name from CF Union Bank Limited to I & M Bank (T) Limited;

(d) A copy of the Issuer's Tax Identification Certificate No. 101-269-027 with effect from 04th December, 2001;

(e) A copy of the Issuer's Value Added Tax (VAT) Certificate with VRN No. 40-002799-X with effect from 04th May, 2009 dated 17th July, 2025;

(f) A copy of the Issuer's Tax Clearance Certificate No. DMC20260000020212I issued on 27th February, 2026 to 31st December, 2026;

(g) A copy of the Issuer's Data Processor Certificate of Registration No. 0-000-000-161 dated 25th November, 2025 to 25th November, 2030;

(h) A copy of the Issuer's Data Controller Certificate of Registration No. 0-000-000-161 dated 26th November, 2024;

(i) A copy of the Issuer's National Social Security Fund (**"NSSF"**) with Registration No. 654329 dated 01st May, 2002;

(j) A copy of the Issuer's Workers Compensation Fund (**"WCF"**) Certificate with Registration No. 001783 dated 30th April, 2016;

(k) A copy of the Issuer's Annual Report and Financial Statements for the year ended 31st December, 2023;

(l) A copy of the Issuer's Annual Report and Financial Statements for the year ended 31st December, 2024;

(m) A copy of the Issuer's Annual Report and Financial Statements for the year ended 31st December, 2025;

(n) A copy of Issuer's Post Audit Report for the year ended 31st December, 2024 on accounting and audited matters presented on February, 2025;

(o) A copy of Issuer's Internal Audit Report for the year ended 31st December, 2023 on accounting and audited matters presented on 22nd February, 2024;

(p) A copy of the Issuer's Annual Returns Form for the year 2023;

(q) A copy of the Issuer's Annual Returns Form for the year 2024;

(r) A copy of the Issuer's Annual Returns Form for the year 2025; and

(s) A copy of the Issuer's Register of Existing Directors and Secretaries.

2.3 Business Licences:

(a) A copy of Licence to Conduct Banking Business in mainland Tanzania as a Bank issued by the BOT, certificate number CBA 00046 dated 20th September, 2010;

(b) A copy of a Principal Business Licence for Banking, Licence No. B.L. 20000095026 dated 28th July, 2025, issued by the BRELA;

(c) A copy of Business Licence, Kariakoo Branch, Licence No. B.L. 20000094494 for Banking dated 22nd July, 2025 issued by the BRELA;

(d) A copy of Business Licence, Main Branch, Licence No. B.L. 20000094487 for Banking dated 22nd July, 2025 issued by the BRELA;

(e) A copy of Business Licence, Nyerere Branch, Licence No. B.L. 20000094618 for Banking dated 23rd July, 2025 issued by the BRELA;

(f) A copy of Business Licence, Masaki Branch, Licence No. B.L. 20000094622 for Banking dated 23rd July, 2025 issued by the BRELA;

(g) A copy of Business LicenceMoshi Branch, Licence No. B.L. 20000094480 for Banking dated 22nd July, 2025 issued by the BRELA;

(h) A copy of Business Licence, Mwanza Branch, Licence No. B.L. 20000094482 for Banking dated 22nd July, 2025 issued by the BRELA;

(i) A copy of Business Licence, Palm Village Branch, Licence No. B.L. 200000111222 for Banking dated 17th April, 2026 issued by the BRELA;

(j) A copy of Business Licence, Arusha Branch, Licence No. B.L. 20000094491 for Banking issued on 22nd July, 2025 issued by the BRELA;

(k) A copy of Business Licence, Maktaba Branch, Licence No. B.L. 20000095026 for Banking issued on 28th July, 2025 issued by the BRELA;

(l) A copy of Issuer's Fire Safety Certificate, No. 13791, issued by the Ministry of Home Affairs Fire and Rescue Force dated 31st May, 2025;

(m) A copy of Issuer's Fire Safety Certificate - Arusha, No. 11158, issued by the Ministry of Home Affairs Fire and Rescue Force dated 22nd October, 2025;

(n) A copy of Occupational Safety and Health Certificate No. 10941 with registration No. ARU/0614 issued on 19th May, 2015 in the name of I&M Bank (T) Limited – Arusha;

(o) A copy of Occupational Safety and Health Certificate No. 00005798 with registration No. 311 421 006 with effect from 04th February, 2022 in the name of I&M Bank (T) Limited – Mwanza Branch;

(p) A copy of Occupational Safety and Health Certificate No. 10783 with registration No. KLM/0271 issued on 13th May, 2015 in the name of I&M Bank (T) Limited – Moshi;

(q) A copy of Occupational Safety and Health Certificate No. 311 103 034 with effect from 01st January, 2026 in the name of I&M Bank (T) Limited – Nyerere Road Branch;

(r) A copy of Occupational Safety and Health Certificate No. 311 101 189 with effect from 15th November, 2025 in the name of I&M Bank (T) Limited – Kariakoo Branch;

(s) A copy of Occupational Safety and Health Certificate No. 211 101 145 with effect from 01st January, 2026 in the name of I&M Bank (T) Limited – Maktaba Branch;

(t) A copy of Occupational Safety and Health Certificate No. 314 101 020 with effect from 01st January, 2026 in the name of I&M Bank (T) Limited – Head Office; and

(u) A copy of Occupational Safety and Health Certificate No. 311 101 190 with effect from 01st January, 2026 in the name of I&M Bank (T) Limited – Main Branch.

2.4 Insurance Policies:

The Bank holds the following insurance policies:

(a) A copy of Insurance Risk Note No. 74332, Sticker No. 26001-36571-67121 in respect of motor vehicle with registration No. T 252 DEX, Land Rover Discovery issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 17th February, 2026 to 31st December, 2026;

(b) A copy of Insurance Risk Note No. 74327, Sticker No. 26001-36571-64521 in respect of motor vehicle with registration No. T 356 EKS, Ford Ranger issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 23rd January, 2026 to 31st December, 2026;

(c) A copy of Insurance Risk Note No. 74325, Sticker No. 26001-36571-47720 in respect of motor vehicle with registration No. T 451 EAC, Mercedes-Benz GLB 250 issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 06th January, 2026 to 31st December, 2026;

(d) A copy of Insurance Risk Note No. 74328, Sticker No. 26001-36571-64921 in respect of motor vehicle with registration No. T 518 EGA, Ford Ranger Wildtrak issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 24th March, 2026 to 31st December, 2026;

(e) A copy of Insurance Risk Note No. 74331, Sticker No. 26001-36571-67021 in respect of motor vehicle with registration No. T 613 DLL, Toyota Land Cruiser issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 17th February, 2026 to 31st December, 2026;

(f) A copy of Insurance Risk Note No. 74330, Sticker No. 26001-36571-66921 in respect of motor vehicle with registration No. T 660 CEZ, Toyota Land Cruiser issued by GA Insurance Tanzania Limited on 31st December, 2025 valid from 17th February, 2026 to 31st December, 2026;

(g) A copy of Public Liability Policy Schedule issued by GA Insurance Tanzania Limited with Policy No. P10/501/2738/2016/01/100002 covering on aggregate limit of liability over all premises valid from 01st January, 2026 to 31st December, 2026;

(h) A copy of Burglary/Theft Policy Schedule issued by GA Insurance Tanzania Limited with Policy No. P01/501/2992/2025/01/100001 covering on office equipment and furniture valid from 01st January, 2026 to 31st December, 2026;

(i) A copy of Fire and Allied Perils Policy Schedule issued by GA Insurance Tanzania Limited with Policy No. P02/501/1143/2024/01/100121 covering computing assets, fixtures and fittings, furniture, leaseholds improvements and office equipment's valid from 01st January, 2026 to 31st December, 2026;

(j) A copy of Employers Liability Policy Schedule issued by GA Insurance Tanzania Limited with Policy No. P01/501/2798/2025/01/100001 covering estimated annual wages, limit per one person and limit per one event valid from 01st January, 2026 to 31st December, 2026;

(k) A copy of Electronic Equipment's Insurance Policy Schedule issued by GA Insurance Tanzania Limited with Policy No. P07/501/4452/2019/01/100004 covering office equipment's and computer valid from 01st January, 2026 to 31st December, 2026;

(l) Bankers Blanket Bond Policy; and

(m) Cyber Insurance Policy.

2.5 The Bank's Policies:

(a) A copy of the Issuer's Capital Risk Policy published on February, 2026;

(b) A copy of the Issuer's Compliance Policy dated February, 2026;

(c) A copy of Issuer's Corporate Governance Policy dated 25th February, 2026;

(d) A copy of Issuer’s Credit Policy dated October, 2025;

(e) A copy of Issuer’s Data Protection Policy dated November, 2025;

(f) A copy of Issuer’s Liquidity Risk Policy approved on August, 2025;

(g) A copy of Issuer’s Anti Money Laundering (AML), Counter Terrorism Financing (CTF) Policy dated approved on February, 2026;

(h) A copy of Issuer’s Enterprise Risk Management Framework Policy reviewed on August, 2025;

(i) A copy of Issuer’s Human Resource Policy Manual approved on 26th February, 2025;

(j) A copy of Issuer’s Accounting Policy approved on February, 2026; and

(k) A copy of Issuer’s Disclosure Policy approved on February, 2026.

2.6 Laws, Regulations and Circulars Reviewed:

(a) The Companies Act CAP 212 R.E. 2023 (the “**Companies Act**”);

(b) The Bank of Tanzania Act CAP 197 R.E. 2023 (the “**BOT Act**”);

(c) The Banking and Financial Institutions Act CAP 342 R.E. 2023 (the “**BFIA**”);

(d) The Microfinance Act CAP 407 R.E. 2023;

(e) The Microfinance (Non-Deposit Taking Microfinance Service Providers) Regulations, Government Notice No, 679 of 2019;

(f) The Tax Administration Act CAP 438 R.E. 2023 (the “**TAA**”);

(g) The Income Tax Act CAP 332 R.E. 2023 (the “**ITA**”);

(h) The Value Added Tax Act CAP 148 R.E. 2023 (the “**VAT Act**”);

(i) The Stamp Duty Act CAP 189 R.E 2023 (the “**SDA**”);

(j) The Fair Competition Act CAP 285 R.E. 2023;

(k) The Fair Competition (Amendment) Act No. 13 of 2024;

(l) The Fair Competition (Threshold for Notification of a Merger) (Amendment) Order of 2017 made under G.N. 222 of 2017;

(m) The Fair Competition Rules made under G.N. No. 344 of 2018;

(n) The Capital Markets and Securities Act CAP 79 R.E. 2002 (the "**CMS Act**");

(o) The Capital Markets and Securities (Advertisements) Regulations, G.N. No. 15 of 1997;

(p) The Capital Markets and Securities (Prospectus Requirements) Regulations G.N. No. 769 of 1997;

(q) The Capital Markets and Securities Guidelines for the Issuance of Corporate Bonds, Municipal Bonds and Commercial Papers issued on September 2019 (the "**Corporate Bond Guidelines**");

(r) The Central Securities Depository Rules, 2022; ("**CSD Rules**"); and

(s) The Dar es Salaam Stock Exchange Public Limited Company Rules, 2022 (the "**DSE Rules**" as amended).

3.0 We have not undertaken any searches or enquiries other than those referred to in this Opinion, nor have we examined any documents other than those expressly mentioned herein. We have not conducted any further investigations into the Bank's business, affairs, or assets, nor independently verified the information or documents provided to us by the Bank or any third parties.

4.0 OPINION:

4.1 **Corporate Standing of the Bank:**

4.1.1 The Bank is the private company duly established and validly existing under the laws of Tanzania. The Bank changed its name from **CF Union Bank Limited** to **I & M Bank (T) Limited** since 2010 post acquisition by I&M Group.

4.1.2 The Bank has valid trading Licences and has all the required authorizations to validly and lawfully carry on banking business in all its branches Kariakoo Branch, Main Branch, Nyerere Branch, Masaki Branch, Arusha Branch, Maktaba Branch, Moshi Branch, Mwanza Branch and

Palm Branch) in the manner currently being conducted by the Bank in Tanzania as described in the IM.

4.1.3 The Bank has corporate power to own its assets and to carry on business as aforementioned and to enter into contracts to which it is a party, including Programme Documents and to perform and observe its obligations under them.

4.1.4 The Bank has taken all required actions in its part to authorize the execution, delivery, performance and observance of the Programme Documents and the said Programme Documents have been properly entered into, executed and delivered by the parties thereto.

4.1.5 The Bank has the required mandate under its Amended MemArts and powers under the laws of Tanzania to issue the Programme and to enter into the Programme Documents and has the necessary corporate approvals for the issuing of the Programme and for entering into the Programme Documents.

4.1.6 The BRELA Search Report indicates the Bank's authorized nominal share capital is **Tanzania Shillings One Hundred Billion** (**TZS 100,000,000,000.00**) divided into **One Hundred Thousand** (**100,000**) ordinary shares of **Tanzania Shillings One Million Only** (**TZS 1,000,000.00**) each.

4.1.7 The BRELA Search Report does not reveal that the Bank is in liquidation, administration, receivership or administrative receivership or that a winding-up petition has been presented against it.

4.1.8 The Bank has perpetual corporate existence and the capacity to sue and be sued in its own name.

4.1.9 As of the date of this Opinion, there has been no change in the corporate status of the Bank.

4.2 Capacity, Authority and Execution:

4.2.1 The Bank has the legal capacity, power and authority to execute, deliver, exercise its rights under and perform its obligations pursuant to each of the Programme Documents to which it is a party, and has taken all necessary corporate actions to authorize such execution, delivery, exercise and performance.

4.2.2 The Bank has obtained all necessary internal and external authorizations and has taken all requisite corporate actions to authorize the issuance of the Programme and the execution and delivery of the Programme Documents and to perform the obligations it is expressed to assume under it.

4.2.3 Subject to the assumptions set out herein under **Schedule "A"** of this Opinion, the issuance of Notes under the Programme complies with the Companies Act and all other applicable laws of Tanzania as at the date of this Opinion.

4.2.4 The Bank has duly executed the Programme Documents and as such the Bank shall not violate any of its constitutional documents, the laws or judgment or order or rule or regulation in Tanzania, breach any agreement entered by the Bank and/or breach any provision imposing a limit on borrowing powers of the Bank.

4.3 Licences, consents and approvals:

4.3.1 The Bank holds all material licences, approvals and consents required to conduct its banking business and has the requisite corporate powers and authorizations to carry on the business as presently conducted by the Bank in Tanzania.

4.3.2 The Bank has obtained the following approvals, consents and registrations applicable to the Programme:

(a) a letter from the BOT of "No Objection";

(b) a letter from the CMSA approving the IM and the Issuance of the Notes;

(c) a letter from the DSE approving the listing of the Programme; and

(d) registration of the IM with the Registrar of Companies.

4.3.3 Save for the approvals referred to in clause 4.3.2, no further consents, approvals, authorizations, registrations, filings or similar formalities are required in Tanzania to be obtained or completed by the Bank in connection with the Programme, the issuance of the Notes or the performance by the Bank of its obligations under the Programme Documents.

4.4 Programme Documents and the Notes:

4.4.1 The IM complies with the requirements of the Regulations and statements therein relating to the laws of Tanzania are correct, accurate and not misleading.

4.4.2 The creation, issue, sale, execution and delivery of the Notes have been duly authorized. When duly executed, issued and delivered by the Bank, the Notes will constitute valid, enforceable and legally binding obligations of the Bank in accordance with their terms, except to the extent that enforceability may be limited by insolvency or other laws affecting creditors' rights.

4.4.3 The Programme Documents have been duly authorized, executed and delivered by the Bank and constitute valid, enforceable and legally binding obligations of the Bank in accordance with their terms, subject to the same limitations as noted in clause 4.4.2.

4.4.4 Filings and Registrations of the Programme Documents:

(a) Each Programme Document has been duly executed and constitutes a legal, valid, binding and enforceable obligation under the laws of Tanzania; and

(b) Other than filings and registrations with the CMSA and DSE and stamping requirements, there are no mandatory filings or registrations under the laws of Tanzania for the Programme Documents.

4.4.5 The Notes and their terms and conditions are in proper legal form for enforcement against the Bank and contain no provision contrary to the law or public policy of Tanzania or which would, for any reason, not be upheld by the courts of the United Republic of Tanzania.

4.4.6 Neither the execution and delivery of the Programme Documents, nor the execution of the transactions contemplated therein, nor compliance with their terms and conditions, will contravene any existing law, governmental rule, regulation or order of the United Republic of Tanzania.

4.4.7 There is no provision in the Notes or the Programme Documents that would be deemed contrary to the law or public policy of Tanzania.

4.5 Fixed Assets, Property and Land and Immovable Properties:

4.5.1 On the basis of the Confirmation Letter and to the best of our knowledge based on information provided to us by the Bank, the Bank has confirmed that it has no landed property, in Tanzania or elsewhere, that would have a material adverse effect on issuance of the Programme.

4.5.2 To the best of our knowledge and based on the information provided to us by the Bank, the Bank has immovable properties as set out herein under **Schedule "B"** of this Opinion.

4.6 Material Litigation:

4.6.1 As of the date of this Opinion, and to the best of our knowledge after making reasonable inquiries with the Bank, none of the shareholders or the directors of the Bank is subject to any material litigation, prosecution or other criminal proceedings instituted against them in Tanzania.

4.6.2 Subject to the confirmation provided by the Bank, we confirm that, to the best of our knowledge, the Bank has material litigation specified herein under **Schedule "C"** of this Opinion.

4.7 Material Agreements:

4.7.1 On the basis of the Confirmation Letter and to the best of our knowledge based on information provided to us by the Bank, the Bank has confirmed that there are no material agreements entered into with the Directors, Management, Government or any other parties that will likely affect the Bank in issuing the Programme.

4.7.2 Other than the contracts referred to above, there are no other agreements or arrangements relating to the contemplated Programme.

4.8 Immunity:

In any proceedings relating to the Programme Documents to which the Bank is a party, neither the Bank nor its property is entitled to claim any immunity or protection from suit, attachment, execution or other legal process under the laws of Tanzania.

4.9 Insolvency/Receivership Proceedings:

In reliance on the BRELA Search Report and information provided to us by the Bank and subject to the qualifications set out herein under **Schedule "D"**, we confirm that, as at the date of the BRELA Search Report:

(a) no shareholder or other corporate action has been taken for the administration, bankruptcy, liquidation, dissolution or receivership of the Bank;

(b) no similar insolvency proceedings have been instituted in relation to the Bank or its assets; and

(c) no proceedings have commenced and no notice has been issued, for the appointment of an administrator, receiver, administrative receiver, liquidator or other insolvency practitioner over the assets, business or undertaking of the Bank.

4.10 Tax Payable:

4.10.1 The Programme and any interest thereon, is subject to taxation unless specifically exempted under the laws of Tanzania.

4.10.2 Interest payable under the Programme is currently exempt from withholding tax pursuant to Section 82 (2) (e) of the ITA.

4.10.3 Debt securities, including bonds and debentures are considered tradable financial assets. Any net gains realized from the sale of such securities are treated as investment income and are required to be included in the calculation of taxable income under the ITA. Corporate entities are generally taxed at a rate of 30% on their total income, whereas individuals are taxed according to the applicable individual income tax rates. Income from investment in bonds with a tenure of more than three (3) years are exempted from withholding tax.

4.11 Choice of Law:

In any proceedings to enforce the Bank's obligations under the Programme Documents, the courts of Tanzania will give full effect to the choice of Tanzanian laws as the governing law of the Programme Documents and treat it as valid and binding on the Bank.

5.0 Qualifications:

This Opinion relates exclusively to the laws of Tanzania. No opinion is given as to the laws of any other jurisdiction or the enforceability of any agreement outside Tanzania. It is provided solely for incorporation into the IM and must not be disclosed, quoted or relied upon, in whole or in part, for any other purpose without our express prior written consent.

6.0 Consent:

We hereby consent to the inclusion of this Opinion in the IM to be issued to the Bank, in the form and text in which it is included. We confirm that we have not, prior to the date of the IM, withdrawn our consent to the issue of the IM containing this Opinion.

Yours faithfully,

Carolyne Jackob Muro
Partner
Joachim & Jacobs Attorneys

SCHEDULE A

ASSUMPTIONS

For the purposes of this Opinion, we have assumed that:

(a) Each party to the Programme Documents exists as a legal person, has the capacity to carry on its business and has been duly authorized to execute and perform its obligations under the Programme Documents;

(b) All original documents supplied to us are complete, authentic and up to date and all copies conform in all respects to the originals;

(c) All information contained in the IM and all information provided to us by the Bank and its respective officers and advisers is true, accurate and up to date;

(d) All factual statements and representations contained in the Programme Documents are true and correct;

(e) The Programme Documents, including all signatures and seals thereon, are genuine and the copies examined by us conform to the originals, with no alteration, variation or modification made since execution;

(f) No facts, circumstances or events exist that would render any of the Programme Documents void, voidable or capable of rescission for any reason;

(g) Each express submission to jurisdiction and each waiver of any objection to proceedings contained in the Programme Documents constitutes a valid and binding submission or waiver under all applicable laws other than those of Tanzania and that performance of any obligations under such documents in jurisdictions outside Tanzania will not be illegal or ineffective by virtue of the laws of those jurisdictions;

(h) The Programme Documents have not been superseded, amended, repealed or otherwise varied since the dates of their original execution;

(i) Each party has entered into the Programme Documents in good faith, for the purpose of carrying on its business, for its own benefit and on arm's length commercial terms;

(j) No party has entered into the Programme Documents as a result of bad faith, fraud, coercion, duress, misrepresentation, undue influence or mistake of fact or law or on the belief that the Programme Documents are fundamentally different in substance or kind from what they are; and

(k) In all jurisdictions other than Tanzania, any consent, licence, approval or authorization required in connection with the execution, delivery, performance or observance of the Programme Documents has been duly obtained and remains in full force and effect.

We have found nothing to indicate that the above assumptions are not justified.

SCHEDULE B

LIST IMMOVABLE ASSETS

(AS DESCRIBED IN THE INSURANCE COVER NOTE)

S/N	REGISTRATION NUMBER	MAKE	TYPE	YEAR OF MANUFACTURE	REGISTERED OWNER
1.	T 883 CUL	Nissan X - Trail	Station Wagon	2005	I&M Bank (T) Limited
2.	T 660CEZ	Toyota Landcruiser	Station Wagon	2011	I&M Bank (T) Limited
3.	T613DLL	Toyota Landcruiser	Station Wagon	2008	I&M Bank (T) Limited
4.	T518EGA	Ford Ranger Wildtrak	Pick up	2023	I&M Bank (T) Limited
5.	T451EAC	Mercedes Benz	Station Wagon	2022	I&M Bank (T) Limited
6.	T356EKS	Ford Ranger	Pick Up	2024	I&M Bank (T) Limited
7.	T252DEX	Landrover Discovery	Station Wagon	2015	I&M Bank (T) Limited

SCHEDULE C

MATERIAL LITIGATION

Save for the litigations disclosed herein, there are no material litigations or arbitration, prosecution or other civil or criminal legal actions in which the Issuer or its Directors are involved in, which could have a material effect on its business. We have disclosed below the major cases that Issuer is involved in, as of the date hereof, as submitted to us by the Issuer: -

(a) Civil Appeal No. 641 of 2023 Court of Appeal of Tanzania between I&M Bank (T) Limited (Appellant) vs Bharat Ruparelia (Respondent).

Nature of the Dispute and Sum Involved:

Recovery Suit for payment of TZS 2,293,351,658.47

Summary of the Suit:

On the 27th January 2022, the Issuer filed for the recovery suit praying for judgment and decree for payment of TZS 2,293,351,658; Payment of interest and default interest at the rate of 19.5% per annum from 1st January 2022 until judgement; Interest at court rate post judgement; the Borrower and Guarantor jointly and severally be ordered to pay costs of the suit; and such further orders and reliefs as the Honorable Court may deem just, equitable and convenient.

Judgement was delivered on the 23rd November 2022 whereby the Issuer's claim against Bharat was dismissed with costs. The Issuer being aggrieved, filed a notice of appeal against the judgement. The memorandum of appeal was filed on the 10th October 2023. The hearing of the appeal was scheduled for 4th December 2025.

Status of the Suit:

This appeal was scheduled for hearing on 1st July 2025 at 9am at Dodoma, Judicial Square and the hearing proceeded on the preliminary objection on point of law filed by the Respondent's advocate. On 03 July 2025 the preliminary objection were dismissed with costs for being unmerited. Hearing of the appeal will be on notice.

Contingent or Actual liability:

This matter is not expected to result in a material adverse liability.

(b) Commercial Case No. 18695 High Court Commercial Division between vs I&M Bank (T) Limited (Respondent) vs Kishen Enterprises & 4 others.

Nature of the Dispute and Sum Involved:

Recovery Case for payment of TZS 2,401,649,635.99

Summary of the Suit:

On 19th August 2025 the Issuer filed a case seeking for an order against all the defendants jointly and severally, for payment of the aggregate sum of Tanzanian Shillings Two Billion Four Hundred One Million Six Hundred Forty-Nine Thousand Six Hundred Thirty-Five and Ninety-Nine Cents. (TZS 2,401,649,635.99.) being outstanding as of 26th February 2024 made of the principal loan amount, charges penalties and accrued interest.

Status of the Suit:

This matter came for orders on 17th April 2026. Bank prayed for withdrawal the suit with leave to refile. The prayer was granted. The suit has been withdrawn with leave to refile with orders to costs

Contingent or Actual liability:

No material adverse liability is expected to arise in respect of this matter.

(c) Civil Appeal No. 807 of 2003, Court of Appeal of Tanzania (Dar es Salaam Registry) between Hi- Bros Canvas and Tents Limited (Appellant) vs I&M Bank (T) Limited (Respondent).

Nature of the Dispute and Sum Involved:

Recovery Suit

Summary of the Suit:

On 26th November 2021 the High Court of Tanzania entered a judgment in favour of the Issuer in Civil Case No. 144 of 2017 dismissing the case with costs. The Appellant being dissatisfied with the decision, filed a Notice of Appeal (Civil Appeal No. 807 of 2023).

Status of the Suit:

The hearing of the appeal will proceed upon issuance of a notice.

Contingent or Actual liability:

No material adverse liability is expected to arise in respect of this matter

(d) Civil Appeal No. 546 of 2022, Court of Appeal of Tanzania (Dodoma Registry) between Hi-Bros Canvas and Tents Limited (Appellant) vs I&M Bank (T) Limited (Respondent).

Nature of the Dispute and Sum Involved:

Recovery Suit

Summary of the Suit:

The Appellant filed an appeal against the judgment delivered in the Issuer's favor in Commercial Case No. 3 of 2018.

Status of the Suit:

All required submissions have been filed, and the Court will notify the parties of the next hearing date.

Contingent or Actual liability:

This matter is not expected to result in a material adverse liability.

(e) Commercial Case No. 4453 of 2025, High Court of Tanzania (Commercial Division) between CSI Energy Group Tanzania Limited (Plaintiff) vs Aqua Power T Limited, Bay Duiker Holding Limited and I&M Bank (T) Limited (Defendant).

Nature of the Dispute and Sum Involved:

Commercial Case for recovery of USD 1,355,000 and TZS 1,000,000,000

Summary of the Suit:

The Appellant filed a suit in the Commercial Court against the Respondents jointly and severally alleging that there was a breach of the asset's sale agreement dated 07th September 2023 and in the alternative, is claiming that the agreement was void ab initio on the grounds of fraud and misrepresentation.

An order for payment of USD 1,355,000 being refund arising from the Defendant's breach of the agreement for sale of assets agreement and general damages of TZS 1,000,000,000 among others.

Status of the Suit:

Judgement was delivered in favour of the bank (4th June 2026), and the Plaintiff's suit has been dismissed for lack of merit, with costs.

Contingent or Actual liability:

This matter is not expected to result in a material adverse liability.

(f) Land Case No. 3656 of 2026, High Court of Tanzania (Land Division) between Marina Tower Limited (Plaintiff) vs I&M Bank (T) Limited and Onesmo Kyauke (Defendants).

Nature of the Dispute and Sum Involved:

Land Case for refund of purchase price of TZS. 3,100,000,000 plus associated costs including agent's commission fee of TZS. 310,000,000

Summary of the Suit:

The Plaintiff filed a case against the Defendants in respect of the apartment located at 5th and 6th Floors on Plot No. 63/27 situated along Bibi Titi Mohamed Road known as "The Uhuru Height" whereby their claims against the Bank and the Receiver Manager are for order of Specific Performance requiring the defendants to execute the transfer documents and other statutory forms for the sale of the suit property, An order for declaration that the Plaintiff is the lawful owner of the suit property, an order for refund of purchase price of TZS. 3,100,000,000 plus associated costs including agent's commission fee of TZS. 310,000,000

Status of the Suit:

The Case is Scheduled for mediation.

<u>Contingent or Actual liability</u>:

This matter is not expected to result in a material adverse liability.

SCHEDULE D

QUALIFICATIONS

This Opinion is subject to the following qualifications:

(a) This Opinion is given solely in relation to the Programme Documents. It is based on the facts evident from the Programme Documents and information provided to us. No other facts or circumstances, not disclosed to us, have been taken into account that might affect the opinions expressed herein regarding the enforceability of the Programme Documents;

(b) The term "valid and binding," as used in paragraph (a) above, means that the obligations assumed under the Programme Documents are of a type that Tanzanian courts would recognize as valid and binding. It does not guarantee that such obligations will be enforced in all circumstances, which may be subject to other limitations set out in this Opinion;

(c) Except as expressly stated herein, no opinion is given on matters of fact or regarding any representations or warranties contained in the Programme Documents;

(d) The opinions expressed in this Opinion are limited to the laws of Tanzania as in effect on the date hereof. No opinion is expressed as to the laws of any other jurisdiction;

(e) If any obligation under the Programme Documents is to be performed in a jurisdiction outside Tanzania, its enforceability in Tanzania may be affected to the extent that performance would be illegal or contrary to public policy under the laws of that jurisdiction;

(f) The enforceability of any party's obligations under the Programme Documents may be limited by bankruptcy, insolvency, reorganization, moratorium, prescription, or other laws affecting creditors' rights generally; and

(g) Any claim under the Programme Documents may be or become barred by limitation statutes or may be subject to set-off or counterclaim.

12 REPORTING ACCOUNTANT'S REPORT

30th April 2026

Introduction to Reporting Accountant's Report

Board of Directors,
I&M Bank (T) Limited
I&M House@1046,
Haile Selassie road, Masaki
PO Box 1509,
Dar es Salaam, Tanzania.

We hereby submit our Reporting Accountant's report in accordance with the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Public Limited Company Rules, 2022, hereafter referred to as the "Regulations".

We have reviewed the audited financial statements of I&M Bank (T) Limited (the "Company") and for the following periods:

a) Financial year ended 31 December 2025
b) Financial year ended 31 December 2024
c) Financial year ended 31 December 2023

Responsibilities of the Directors

The Directors of I&M Bank (T) Limited are responsible for the preparation and accuracy of the historical financial information of I&M Bank (T) Limited for the years ended 31 December 2025, 31 December 2024, and 31 December 2023, and the preparation and presentation of the financial projections "forecasted financial information" for years ending 31 December 2026, 2027,2028, 2029 and 2030, and cashflow for the respective years. That is, the Forecasted Financial Information and the assumptions on which it is prepared ("Directors' Assumptions").

The statutory financial statements for the years ended 31 December 2024, and 31 December 2023 were audited by PricewaterhouseCoopers and for the year ended 31 December 2025 was audited by KPMG, and received unqualified audit opinion.

Our responsibilities as reporting accountants

Our responsibilities are detailed in our engagement letter. These included compiling a Reporting Accountant's Report that includes the following:

a) An Independent Review Report on Historical Financial Information in accordance with ISRE 2400 (Revised)A compilation report in accordance with the requirements of the Capital Markets and Securities Act Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations" and the International Standard on Related Services applicable to compilation engagements (ISRS) 4410 Compilation Engagements as set out on pages 86 to 215.

b) A report on the forecasted financial information for the 5 years running from year ending 31 December 2026 to 31 December 2030, including a limited assurance conclusion on the reasonableness of the Directors' Assumptions and an opinion on the Forecasted Financial Information in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information (ISAE) 3400 The Examination of Prospective Financial Information, set out on pages 204 to 215.

Consent

We consent to the inclusion of this report in the I&M Bank (T) Limited Medium-Term Notes Programme Public Offer Prospectus to be issued in tranches from 2026 in the form and context in which it appears.

The engagement partner responsible for the engagement resulting in this Reporting Accountant's Report is CPA Khalfani Mbwambo (ACPA 3224)

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania

…………………………………
Signed by: CPA Khalfani Mbwambo

Date: 30th April 2026

INDEPENDENT PRACTITIONER'S REVIEW REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF I&M BANK (T) LIMITED

We have reviewed the accompanying financial statements of I&M Bank (T) Limited set out on pages 86 to 199, which comprise the company's statements of financial position as at 31 December 2025, 31 December 2024 and 31 December 2023 and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management' s Responsibility for the Historical Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner' s Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis of conclusion

The financial information set out in this report was prepared in accordance with the International Standard on Related Services 4410 – Engagement to compile financial statements ("ISRS 4410"), and is based on the audited financial statements of the company, after making the adjustments considered appropriate to make all the financial statements compliant with International Financial Reporting Standards. Further, to enable us prepare the Reporting Accountant's Report, we carried out procedures to satisfy ourselves that the information presented in the financial statements was in accordance with the Regulations. In compiling the financial information, we have not effected adjustments to the information presented in the audited financial statements. In addition to our compilation engagement, we have reviewed the financial information of the company for the three years presented.

We conducted our review in accordance with the International Standard on Review Engagements 2400, Engagements to Review Financial Statements ("ISRE 2400"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement.

A review is limited primarily to inquiries of management and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

INDEPENDENT PRACTITIONER'S REVIEW REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF I&M BANK (T) LIMITED

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial statements do not give a true and fair view of the company's statements of financial position of I&M Bank (T) Limited as at 31 December 2025, 31 December 2024 and 31 December 2023 and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the for the years then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania

…………………………………
Signed by: CPA Khalfani Mbwambo

Date: 30th April 2026

REPORTING ACCOUNTANT'S COMPILATION REPORT TO THE DIRECTORS OF I&M BANK (T) LIMITED

We have compiled the accompanying financial statements of I&M Bank (T) Limited on pages 86 to 199, based on information you have provided. These financial statements comprise the I&M Bank (T) Limited statements of financial position as at 31 December 2025, 31 December 2024, and 31 December 2023, and the company's statements of profit or loss and other comprehensive income, company's statements of changes in equity and company's statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the compilation and presentation of these financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on the financial statements.

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949
Dar es Salaam, Tanzania

………………………………….
Signed by: CPA Khalfani Mbwambo

Date: 30th April 2026

REPORTING ACCOUNTANT'S COMPILATION REPORT TO THE DIRECTORS OF I&M BANK (T) LIMITED

A. FINANCIAL STATEMENTS

i. Statement of Profit or Loss and Other Comprehensive Income for years ended 31 December 2025, 2024 And 2023

	Note	2025	2024	2023
		TZS'000	TZS'000	TZS'000
Interest income calculated using the effective interest method	7	122,887,699	97,877,323	72,535,670
Interest expense	8	(36,037,504)	(31,155,661)	(25,381,444)
Net interest income		**86,850,195**	**66,721,662**	**47,154,226**
Fee and commission income	9	8,583,049	7,635,417	5,907,175
Fee and commission expense	9	(81,708)	(34,358)	(73,638)
Net fee and commission income		**8,501,341**	**7,601,059**	**5,833,537**
Revenue		**95,351,536**	**74,322,721**	**52,987,763**
Net trading income	10	8,437,266	7,736,463	6,654,703
Net income arising from derecognition of financial assets measured at FVOCI		-	33,811	166,018
Net change in fair value of financial assets measured at FVTPL		198,524	11,220	36,470
Other operating income	11	14,514,904	6,993,130	137,744
Dividend income	12	10,310	22,556	20,756
Net impairment charge on loans and advances	17(c)	(31,418,751)	(21,875,943)	(19,316,144)
Net operating income		**87,093,789**	**67,243,958**	**40,687,310**
Staff costs	13	(20,056,849)	(16,892,625)	(14,616,516)
Premises and equipment costs	13	(975,994)	(1,195,087)	(891,164)
General administrative expenses	13	(39,398,479)	(26,381,930)	(16,491,899)
Depreciation and amortisation	13	(4,518,150)	(4,471,165)	(3,329,209)
Operating expenses		**(64,949,472)**	**(48,940,807)**	**(35,328,788)**
Profit before tax		**22,144,317**	**18,303,151**	**5,358,522**
Income tax charge	14(a)	(2,082,947)	(3,139,461)	(590,685)
Profit for the year after tax		**20,061,370**	**15,163,690**	**4,767,837**
Other comprehensive income Items that are or may be reclassified to profit or loss:				
Fair value loss arising during the year		-	(6,061)	-
Gain on government securities-FVOCI reclassified to P&L		-	(16,430)	-
Tax thereon		-	6,747	-
Net change in fair value of financial assets measured at FVOCI		-	-	(65,516)
Deferred tax on fair value of financial assets measured at FVOCI		-	-	16,114
Total other comprehensive income for the year		**-**	**(15,744)**	**(49,402)**
Total comprehensive income for the year		**20,061,370**	**15,147,946**	**4,718,435**

The notes set out on pages 94 to 198 form an integral part of these financial statements.

REPORTING ACCOUNTANT'S COMPILATION REPORT TO THE DIRECTORS OF I&M BANK (T) LIMITED

A. FINANCIAL STATEMENTS (CONTINUED)

ii. Statement of Financial Position As at 31 December 2025, 2024 and 2023

	Note	2025 TZS '000	2024 TZS '000	2023 TZS '000
Assets				
Cash and balances with Bank of Tanzania	15	101,058,884	86,527,215	51,793,458
Items in the course of collection		-	-	444,221
Loans and advances to banks	16	104,872,525	61,038,155	39,543,172
Loans and advances to customers	17	527,976,059	435,023,035	449,814,091
Due from group companies	33	9,828,215	7,730,343	3,765,445
Investment in government securities:				
- At amortised cost	18(a)	148,543,604	165,676,022	151,753,391
-At FVTPL	18(b)	-	1,688,839	3,192,275
- At FVOCI		-	-	1,539,707
Equity investment at FVOCI	19	1,013,750	1,013,750	1,013,750
Tax recoverable	14(c)	4,208,087	2,461,684	2,500,938
Property and equipment	20	15,824,945	13,715,097	11,416,068
Intangible assets - software	21	4,478,523	3,136,665	3,170,904
Deferred tax asset	22	13,615,849	12,562,103	12,332,516
Other assets	23	22,543,969	13,391,814	7,586,653
TOTAL ASSETS		**953,964,410**	**803,964,722**	**739,866,589**
Liabilities				
Deposits from banks	24	64,844,761	57,529,859	20,026,776
Deposits from customers	25	610,184,295	548,921,860	562,111,764
Due to group companies	33	82,915,005	50,862,574	32,498,784
Lease liabilities	35	9,560,450	7,052,665	8,040,421
Provisions	26	879,990	879,990	-
Other liabilities	27	15,793,556	15,687,795	9,306,811
Long term debt	28	16,171,180	3,276,176	3,276,176
		800,349,237	**684,210,919**	**635,260,732**
Shareholders' equity				
Share capital	29(b)	37,754,016	23,954,016	23,954,016
Share premium	29(b)	31,528,228	31,528,228	31,528,228
Retained earnings		84,062,925	56,143,597	27,152,132
Statutory reserve	29 (c)	-	7,857,958	21,685,733
Fair value reserve	29 (d)	270,004	270,004	285,748
		153,615,173	**119,753,803**	**104,605,857**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**953,964,410**	**803,964,722**	**739,866,589**

A. FINANCIAL STATEMENTS (CONTINUED)

iii. Statement of Changes in Equity
For years ended 31 December 2025, 2024 And 2023

2025:	Share capital TZS '000	Share premium TZS '000	Retained earnings TZS '000	Statutory reserve TZS '000	Fair value reserve TZS '000	Total TZS '000
At 1 January 2025	**23,954,016**	**31,528,228**	**56,143,597**	**7,857,958**	**270,004**	**119,753,803**
Total comprehensive income for the year						
Profit for the year after tax	-	-	20,061,370	-	-	20,061,370
	-	**-**	**20,061,370**	**-**	**-**	**20,061,370**
Other comprehensive income						
Statutory reserve	-	-	7,857,958	(7,857,958)	-	-
Total other comprehensive income	**-**	**-**	**7,857,958**	**(7,857,958)**	**-**	**-**
Less: Tax thereon						
Other Comprehensive income , net of tax						
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income and other movements	**-**	**-**	**7,857,958**	**(7,857,958)**	**-**	**-**
Transactions with owners recorded directly in equity						
Rights issue	13,800,000	-	-	-	-	13,800,000
Total transactions with owners for the year	**13,800,000**	**-**	**-**	**-**	**-**	**13,800,000**
Balance as at 31 December 2025	**37,754,016**	**31,528,228**	**84,062,925**	**-**	**270,004**	**153,615,173**

*The notes set out on pages 94 to 198 form an integral part of these financial statements.

A. FINANCIAL STATEMENTS (CONTINUED)

iii. Statement of Changes in Equity
For years ended 31 December 2025, 2024 And 2023

2024:	Share capital TZS '000	Share premium TZS '000	Retained earnings TZS '000	Statutory reserve TZS '000	Fair value reserve TZS '000	Total TZS '000
At 1 January 2024	**23,954,016**	**31,528,228**	**27,152,132**	**21,685,733**	**285,748**	**104,605,857**
Total comprehensive income for the year						
Profit for the year after tax	-	-	15,163,690	-	-	**15,163,690**
	-	**-**	**15,163,690**	**-**	**-**	**15,163,690**
Other movements						
Statutory reserve			13,827,775	(13,827,775)	-	-
FVOCI revaluation loss-on debt instruments	-	-	-	-	(6,061)	(6,061)
Profit or loss on sale	-	-	-	-	(16,430)	(16,430)
Total other comprehensive income	**-**	**-**	**13,827,775**	**(13,827,775)**	**(22,491)**	**(22,491)**
Less: Tax thereon	-	-	-	-	6,747	**6,747**
Other Comprehensive income , net of tax	**-**	**-**	**13,827,775**	**(13,827,775)**	**(15,744)**	**(15,744)**
Total other comprehensive income	**-**	**-**	**13,827,775**	**(13,827,775)**	**(15,744)**	**(15,744)**
Total comprehensive income and other movements	**-**	**-**	**28,991,465**	**(13,827,775)**	**(15,744)**	**15,147,946**
Transactions with owners recorded directly in equity	**-**	**-**	**-**	**-**	**--**	**-**
Total transactions with owners for the year	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2024	**23,954,016**	**31,528,228**	**56,143,597**	**7,857,958**	**270,004**	**119,753,803**

B. FINANCIAL STATEMENTS (CONTINUED)

iii. Statement of Changes in Equity

For years ended 31 December 2025, 2024 And 2023

2023:	**Share capital**	**Share premium**	**Retained earnings**	**Statutory reserve**	**Fair value reserve**	**Total**
	TZS '000	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**
At 1 January 2023	23,192,000	18,090,228	39,190,834	4,879,194	335,150	85,687,406
Total comprehensive income for the year						
Profit for the year	-	-	4,767,837	-	-	4,767,837
	-	**-**	**4,767,837**	**-**	**-**	**4,767,837**
Other comprehensive income						
Statutory credit reserve	-	-	(16,806,539)	16,806,539	-	-
Revaluation - FVOCI - net of tax	-	-	-	-	(49,402)	(49,402)
Total other comprehensive income	**-**	**-**	**(16,806,539)**	**16,806,539**	**(49,402)**	**(49,402)**
Total comprehensive income	**-**	**-**	**(12,038,702)**	**16,806,539**	**(49,402)**	**4,718,435**
Transactions with owners recorded directly in equity						
Rights issue	762,016	13,438,000	-	-	-	14,200,016
Total transactions with owners for the year	**762,016**	**13,438,000**	**-**	**-**	**-**	**14,200,016**
Balance as at 31 December 2023	**23,954,016**	**31,528,228**	**27,152,132**	**21,685,733**	**285,748**	**104,605,857**

*The notes set out on pages 94 to 198 form an integral part of these financial statements.

A. FINANCIAL STATEMENTS (CONTINUED)

iv. Statement of Cashflows

For the Years ended 31 December 2025, 2024 And 2023

	Note	2025	2024	2023
			Restated*	
		TZS '000	TZS '000	TZS '000
Cash inflows generated from operating activities	**30(a)**	**(45,195,559)**	**2,050,258**	**9,814,423**
Tax paid	14(c)	(4,883,096)	(3,329,794)	(2,670,000)
Interest received**		119,816,809	99,221,699	-
Interest paid		(33,228,538)	(29,126,494)	-
Payment of interest portion of lease liabilities	35(ii)	(984,131)	(807,961)	(250,569)
Net cash flows generated from operating activities		**35,525,485**	**68,007,708**	**6,893,854**
Cash outflows from investing activities				
Purchase of property and equipment	20	(1,449,450)	(4,086,202)	(183,060)
Purchase of intangible assets	21	(2,239,409)	(1,478,461)	(1,520,995)
Proceeds from sale of property and equipment		9,507	-	-
Dividends received	12	10,310	22,556	20,756
Net cash generated used in investing activities		**(3,669,042)**	**(5,542,107)**	**(1,683,299)**
Cash inflows/(outflows) from financing activities				
Payment of lease liabilities	35(i)	(1,750,905)	(1,604,813)	(1,266,048)
Repayment of long-term loans		-	-	(9,487,473)
Interest on long term loans Proceeds from long term loans		-	-	(1,283,274)
Long term loans received	28	12,425,000	-	-
Proceeds from Issuance of Share Capital	29(b)	13,800,000	-	14,200,016
Net cash inflows/(outflows) to financing activities		**24,474,095**	**(1,604,813)**	**2,163,221**
Net increase in cash and cash equivalents		**56,330,538**	**60,860,788**	**7,373,776**
Cash and cash equivalents at start of the year	30(b)	**119,715,771**	**60,419,275**	**76,267,169**
Effect of movements on exchange rates on cash and cash equivalents held		(1,554,996)	(1,564,292)	1,889,906
Cash and cash equivalents at end of the year	**30(b)**	**174,491,313**	**119,715,771**	**85,530,851**

*Restatements done on prior year balances. Refer to Note 37 for further details.

** These items were previously included within working capital changes however, in the current year, they have been presented separately to achieve better presentation.

The notes set out on pages 94 to 198 form an integral part of these financial statements.

MANAGEMENT ACCOUNTS

Condensed Statement of Financial Position as at 31 March 2026

(Amounts in million shillings)

		Current Quarter 31.03.2026	Previous Quarter 31.12.2025
A.	**ASSETS**	**TZS**	**TZS**
1	Cash	14,770	13,443
2	Balances with Bank of Tanzania	97,594	87,616
3	Investments in Government securities	154,395	148,544
4	Balances with other banks and financial institutions	46,974	63,339
5	Cheques and items for clearing	-	47
6	Interbank Loans Receivables	43,985	51,362
7	Loans, advances and overdrafts (net of allowances for probable losses)	521,308	527,976
8	Other assets	50,007	44,799
9	Equity Investments	1,014	1,014
10	Property, Plant and Equipment	15,417	15,825
11	**TOTAL ASSETS**	**945,465**	**953,964**
B.	**LIABILITIES**		
12	Deposits from other banks and financial institutions	26,280	64,845
13	Customer deposits	683,652	663,965
14	Special deposits	1,248	3,083
15	Bankers' cheques and drafts issued	165	345
16	Accrued taxes and expenses payable	31,072	39,738
17	Unearned income and other deferred charges	1,018	1,184
18	Other liabilities	12,389	11,018
19	Borrowings	29,627	16,171
20	**TOTAL LIABILITIES**	**785,452**	**800,349**
21	**NET ASSETS/(LIABILITIES)*(11 minus 20)***	**160,013**	**153,615**
C.	**SHAREHOLDERS' FUNDS**		
22	Paid up share capital	37,754	37,754
23	Share premium	31,528	31,528
24	Capital reserves	270	270
25	Retained earnings	84,063	64,002
26	Profit (Loss) account	6,398	20,061
27	**TOTAL SHAREHOLDERS' FUNDS**	**160,013**	**153,615**
28	Contingent liabilities	191,465	168,104
29	Non-performing loans & advances	23,657	22,572
30	Allowances for probable losses	35,578	31,770
D.	**SELECTED FINANCIAL CONDITION INDICATORS**		
(i)	Shareholders' Funds to total assets	16.9%	16.1%
(ii)	Non-performing loans to total gross loans	4.2%	4.0%
(iii)	Gross loans and advances to total deposits	78.3%	73.9%
(iv)	Loans and Advances to total assets	55.1%	58.7%
(v)	Earning Assets to Total Assets	79.9%	79.6%
(vi)	Deposits Growth	-2.8%	6.7%
(vii)	Assets growth	-0.9%	7.2%

B. MANAGEMENT ACCOUNTS (CONTINUED)

Condensed Statement of Profit or Loss and Other Comprehensive Income
(Amounts in million shillings)

		Current Quarter	Comparative Quarter (Previous Year)	Current Year Cumulative	Comparative Year (Previous Year) Cumulative
		31.03.2026	31.12.2025	31.03.2026	31.12.2025
		TZS	TZS	TZS	TZS
1	Interest Income	31,378	28,581	31,378	28,581
2	Interest Expense	(10,093)	(8,330)	(10,093)	(8,330)
3	**Net Interest Income (1 minus 2)**	**21,284**	**20,251**	**21,284**	**20,251**
4	Bad Debts Written-Off	-	-	-	-
5	Impairment Losses on Loans and Advances	5,119	5,288	5,119	5,288
6	**Non Interest Income:**	**10,304**	**5,412**	**10,304**	**5,412**
	6.1 Foreign Currency Dealings and Translation Gains/(Loss)	3,002	2,140	3,002	2,140
	6.2 Fees and Commissions	2,089	1,547	2,089	1,547
	6.3 Dividend Income	-	-	-	-
	6.4 Other Operating Income	5,213	1,725	5,213	1,725
7	**Non Interest Expenses:**	**(17,330)**	**(14,034)**	**(17,330)**	**(14,034)**
	7.1 Salaries and Benefits	(6,137)	(4,724)	(6,137)	(4,724)
	7.2 Fees and Commission	(38)	(468)	(38)	(468)
	7.3 Other Operating Expenses	(11,155)	(8,842)	(11,155)	(8,842)
8	**Operating Income/(Loss)**	**9,140**	**6,341**	**9,140**	**6,341**
9	Income Tax Provision	(2,742)	(1,902)	(2,742)	(1,902)
10	**Net Income/ (Loss) After Income Tax**	**6,398**	**4,438**	**6,398**	**4,438**
11	**Other Comprehensive Income (itemize)**	-	-	-	-
12	**Total comprehensive income/(loss) for the quarter / year**	**6,398**	**4,438**	**6,398**	**4,438**
13	Number of Employees	244	208	244	208
14	Basic Earnings Per Share	0.17	0.19	0.17	0.19
15	Number of Branches	9	8	9	8
	SELECTED PERFORMANCE INDICATORS				
(i)	Return on Average Total Assets	2.86%	2.15%	2.86%	2.15%
(ii)	Return on Average Shareholders' Fund	17.67%	14.44%	17.67%	14.44%
(iii)	Non Interest Expense to Gross Income	54.86%	54.69%	54.86%	54.69%
(iv)	Net Interest Income to Average Earning Assets	12.10%	12.71%	12.10%	12.71%

Note: Average figures have been computed by summing up the end balances for respective months in the period divided by number of months in the period.

I&M BANK (T) LIMITED
REPORTING ACCOUNTANT REPORT

Condensed Statement Of Cashflow For the Quarter/ Year ended 5
(Amounts in million shillings)

		Current Quarter	Previous Quarter	Current Year Cumulative	Comparative Year Cumulative (Previous Year)
		31.03.2026	31.12.2025	31.03.2026	31.03.2025
I:	**Cash flow from operating activities:**	**TZS**	**TZS**	**TZS**	**TZS**
	Net income	9,140	7,625	9,140	6,341
	Adjustments for:				
	- Impairment/Amortization	4,282	3,002	4,282	5,538
	- Net change in Loans and Advances	2,860	(60,264)	2,860	(91,399)
	- Gain/loss on Sale of Assets	-	-	-	-
	- Net change in Deposits	(8,200)	39,908	(8,200)	80,461
	- Net change in Short Term Negotiable Securities	(2,250)	195	(2,250)	8,218
	- Net change in Other Liabilities	15,669	(16,128)	15,669	7,024
	- Net change in Other Assets	(4,308)	(2,799)	(4,308)	(1,602)
	- Tax Paid	(900)	(2,189)	(900)	(875)
	- Others	2,076	304	2,076	3,706
	Net cash provided (used) by operating activities	**18,367**	**(30,346)**	**18,367**	**17,411**
II:	**Cash flow from investing activities:**				
	Dividend Received	-	0	-	-
	Purchase of Fixed Assets	(66)	1,575	(66)	(560)
	Proceeds from Sale of Fixed Assets	-	-	-	-
	Purchase of Non- Dealing Securities	-	-	-	-
	Proceeds from Sale of Non-Dealing Securities	-	-	-	-
	Net cash provided (used) by investing activities	**(66)**	**1,575**	**(66)**	**(560)**
III:	**Cash flow from financing activities:**				
	Repayment of Long-term Debt	-	-	-	-
	Proceeds from Issuance of Long-Term Debt	13,456	-	13,456	-
	Issuance of Share Capital	(0)	450	(0)	-
	Payment of Cash Dividends	-	-	-	-
	Net Change in Other Borrowings	-	(38)	-	(1)
	Net Cash (used) / provided by Financing Activities	**13,456**	412	**13,456**	**(1)**
IV:	**Cash and Cash Equivalents:**				
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**31,757**	**(28,359)**	**31,757**	**16,850**
	Cash and Cash Equivalents at the Beginning of the Quarter	201,785	230,144	201,785	175,041
	Cash and Cash Equivalents at the end of the Quarter	**233,543**	**201,785**	**233,543**	**191,891**

1. REPORTING ENTITY

I&M Bank (T) Limited ('the Bank') is a limited liability company incorporated and domiciled in Tanzania. The Bank's shares are not publicly traded. The address of its registered office and place of business is:

I&M House@1046,
Haile Selassie Road, Masaki,
PO Box 1509,
Dar es Salaam,
Tanzania.

The financial statements of I&M Bank (T) Limited for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors and were signed on their behalf as shown in the statement of financial position.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Bank's financial statements for the year 2025 have been prepared in accordance with IFRS Accounting Standards (IFRS) and in the manner required by the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006.

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis of accounting except for the financial assets classified as Fair Value through Profit or Loss (FVTPL), Fair Value through Other Comprehensive Income (FVOCI) and amortised cost.

(c) Functional and presentation currency

These financial statements are presented in Tanzania Shillings (TZS), which is also the Bank's functional currency. All financial information presented in TZS have been rounded to the nearest thousand except where otherwise stated.

(d) Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

In particular information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

financial statements are described in Note 5.

The classification of financial assets includes the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. See Note 3(f)(ii).

The impairment of financial instruments includes the assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses (ECL). See Notes 3(f)(iii) and 5(a).

3. MATERIAL ACCOUNTING POLICY

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Foreign currency

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

(b) Revenue recognition

Revenue is derived substantially from banking business and related activities and comprises net interest income and fee and commission income.

Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss, as well as any interest receivable or payable, are included in profit or loss in the period in which they arise.

Gains and losses arising from changes in the fair value of FVOCI financial assets, other than foreign exchange gains or losses from monetary items, are recognised directly in other comprehensive income. Interest revenue, credit impairment and dividends arising from FVOCI financial assets are also recognized in P&L. For debt securities the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss when the financial asset is derecognised or impaired.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(b) Revenue recognition (continued)

(i) Net interest income

Effective interest rate and amortised cost

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves. For information on when financial assets are credit-impaired, see Note 3(f)(iii).

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(b) Revenue recognition (continued)

Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

(ii) Net fee and commission income

Fee and commission income and expenses that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income – including account servicing fees and sales commissions – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period. A contract with a customer that results in a recognised financial instrument in the bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(i) Revenue from Contracts with Customers

Revenue from contracts with customers comprises fee and commission income arising

Revenue recognition (continued)

(ii) Revenue from Contracts with Customers (Continued)

from services that fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The Bank recognises revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those services. Revenue is recognised when (or as) control of services is transferred to the customer, based on the nature of the underlying performance obligation. The Bank's fee and commission income that falls within IFRS 15 includes transaction-based fees, account service fees, trade finance fees not integral to the effective interest rate, loan-related administrative fees, and other customer service charges.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

Revenue recognized at a point of time includes commission on telegraphic transfers and other international trade finance activities, commission and fees from banking operations, credit/debit card fees and commissions and other fees and commissions while only commission on letters of credit and guarantees is recognized over a period of time.

Revenue arising from contracts with customers under IFRS 15 for the year ended 31 December 2025 comprises:

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Fee and commission income	8,583,049	7,635,417	5,907,175
Fee and commission expense	-81,708	-34,358	-73,638
Net fee & commission income	**8,501,341**	**7,601,059**	**5,833,537**

These amounts are presented in **Note 9 — Fee and Commission Income**

Determination and Allocation of Transaction Price

Fees are generally based on publicly available tariffs. The Bank does not have significant financing components due to the short-term nature of services. Where contracts contain multiple performance obligations, the transaction price is allocated based on standalone selling prices; however, most of the Bank's services contain a single obligation.

(iii) Net trading income and net income on financial assets at fair value through profit or loss

Net trading income comprises gains and losses arising from customer-driven foreign exchange transactions. It includes all fair value movements, interest and foreign exchange differences relating to these instruments.

Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are recognised in profit or loss in the period in which they arise.

Interest income and expense on financial instruments at fair value through profit or loss are recognised in profit or loss using the effective interest method.

(c) Other operating income

Other operating income includes income that does not fall under interest, fee and commission, or trading income. It covers items such as recoveries from previously written-off assets and gains from the disposal of property and equipment and is recognised in profit or loss in line with the applicable accounting requirements.

(d) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of operating income.

3. **MATERIAL ACCOUNTING POLICY (CONTINUED)**

(i) Income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax also includes any tax arising from dividends.

(j) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Bank. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(f) Financial assets and financial liabilities

(i) Recognition and initial measurement

The bank initially recognises loans and advances, deposits and debt securities on the date at which they are originated. All other financial assets and liabilities (including assets designated at fair value through profit or loss) are initially recognised on the trade date on which the bank becomes a party to the contractual provision of the instrument.

A financial asset or liability is initially measured at fair value plus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue. Subsequent to initial recognition, financial liabilities (deposits and debt securities) are measured at their amortized cost using the effective interest method.

(ii) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

(ii) Classification (Continued)

Business model assessment (Continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI Test)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

The bank holds a portfolio of long-term fixed rate loans for which the bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty.

(f) Financial assets and liabilities (continued)
(ii) Classification - continued

The bank has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Debt instruments measured at amortised cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship.

Changes in the fair value of the instrument are recognised in the Statement of Profit or Loss and Other Comprehensive Income as they arise. Upon derecognition, any cumulative gains or losses previously recognised in other comprehensive income are reclassified to the Statement of Profit or Loss and Other Comprehensive Income on an average-cost basis.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(f) Financial assets and liabilities (continued)
(ii) Classification - continued

Debt instruments measured at FVTPL

Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ACL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Statement of Financial Position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to Provision for credit losses in the Statement of Profit or Loss and Other Comprehensive Income. The accumulated allowance recognised in OCI is recycled to the Statement of Profit or Loss and Other Comprehensive Income upon derecognition of the debt instrument.

Debt instruments are measured at FVTPL if assets:

(i) Are held for trading purposes;
(ii) Are held as part of a portfolio managed on a fair value basis; or
(iii) Whose cash flows do not represent payments that are solely payments of principal and interest.

These instruments are measured at fair value in the Statement of Financial Position, with fair value changes recognized immediately in the Statement of Profit or Loss.

Debt instruments designated at FVTPL

Financial assets classified in this category are those that the Bank elects to designate at fair value through profit or loss upon initial recognition. This designation is irrevocable and is applied only when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Financial assets designated at FVTPL are measured at fair value in the Statement of Financial Position, with all changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Equity instruments

The bank has elected at initial recognition to irrevocably designate an equity investment, held for purposes other than trading, at FVOCI. The fair value changes, including any associated foreign exchange gains or losses, are recognized in OCI and are not subsequently reclassified in the Statement of Profit or Loss and Other Comprehensive Income, including upon disposal. Realized

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

gains and losses are transferred directly to retained earnings upon disposal. Consequently, there is no review required for impairment. Dividends will normally be recognized in the Statement of Profit or Loss.

Financial liabilities

The bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised.

(iii) Impairment

The bank recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments (amortised cost and FVOCI) including loans and advances;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

Expected credit losses (ECL) are measured using a three-stage impairment model as required by IFRS 9. The Bank recognises 12-month ECL for financial instruments where credit risk has not increased significantly since initial recognition (Stage 1), and lifetime ECL for credit-impaired or significantly deteriorated exposures (Stages 2 and 3).

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Significant Increase in Credit Risk

The Bank's criteria for assessing a significant increase in credit risk are defined at the appropriate product or portfolio level and reflect the exposure's credit risk at origination. This assessment requires significant judgement and is performed using a combination of quantitative and qualitative indicators in accordance with IFRS 9. Quantitative indicators include relative changes in the lifetime probability of default and the application of the 30-days-past-due backstop. Qualitative indicators include borrower-specific adverse developments identified through ongoing credit monitoring. While regulatory prudential classifications may be considered as supplementary information, they do not override or replace the IFRS 9 requirements. A significant increase in credit risk is deemed to have occurred when one or more of the Bank's significant increase in credit risk criteria are met.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date (stage 1 and 2):* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the bank expects to receive);
- *financial assets that are credit-impaired at the reporting dat*e (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the bank if the commitment is drawn down and the cash flows that the bank expects to receive; and
- *financial guarantee contracts*: the expected payments to reimburse the holder less any amounts that the bank expects to recover. See also Note 5(a).

Restructured financial assets

When the terms of a financial asset are renegotiated, modified, or an existing financial asset is replaced with a new one due to the financial difficulties of the borrower, the Bank assesses whether the modification results in derecognition of the original asset (see Note 3(f)(v)). Expected credit losses (ECL) are measured as follows:

- If the expected restructuring does not result in derecognition, the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls of the existing asset. These revised cash flows are discounted using the original effective interest rate, in line with the modification accounting requirements of IFRS 9.
- If the expected restructuring results in derecognition of the existing asset, the expected fair value of the new financial asset is treated as the final cash flow of the existing asset at the date of derecognition. This amount is included in calculating the cash shortfalls of the existing financial asset, which are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing asset.

Credit-impaired financial assets

At each reporting date, the bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as stage 3 financial assets). A financial asset is considered 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

- the restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider;
-
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that is overdue for 90 days or more is considered credit impaired. In addition, a loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit-impaired unless there is evidence of significant improvement in the borrower's credit risk and no other indicators of impairment exist.

For credit-impaired financial assets, interest income is recognised using the effective interest rate applied to the amortised cost of the asset (i.e., the gross carrying amount net of the loss allowance), rather than the gross carrying amount. Interest income recognition reverts to the gross basis only when the asset is no longer credit-impaired and there is evidence of sustained recovery.

Government securities

In making an assessment of whether an investment in sovereign debt (Government Bills and bonds, Balances due from central banks) is credit-impaired, the Bank considers the following factors;

- The country's ability to access own local capital markets for new debt issuance.
- The respective government ability to maintain sovereignty on its currency
- The intentions and capacity, reflected in public statements, of governments and agencies honor these commitments.

(f) Financial assets and liabilities (continued)

(iii) Impairment - continued

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial *assets measured at amortised cost:* as a deduction from the gross carrying amount of the assets;
- *loan* commitments *and financial guarantee contracts:* generally, as a provision;
- *where a financial instrument includes both a drawn and an undrawn component, and the bank* cannot *identify the ECL on the loan commitment component separately from those on the drawn component:* the bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

- *debt instruments measured at FVOCI:* no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Financial assets at both amortised and FVOCI are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the bank's procedures for recovery of amounts due.

(iii) De-recognition

Financial assets

The bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the bank is recognised as a separate asset or liability.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(f) Financial assets and liabilities (continued)

(iv) De-recognition - continued

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the bank retains all or substantially all of the risks and rewards of ownership of such assets.

In certain transactions, the bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities

The bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Modifications of financial assets and financial liabilities

Financial assets

The Bank may renegotiate or otherwise modify the contractual terms of a financial asset for commercial or credit-related reasons. When such a modification occurs, the Bank assesses whether the modification results in cash flows that are substantially different from those of the original financial asset. Cash flows are considered substantially different, and therefore result in derecognition of the original asset, when one or more of the following conditions are met:

- The net present value (NPV) of the modified cash flows (including fees paid or received) differs by 10% or more from the NPV of the remaining cash flows of the original asset, discounted using the asset's original effective interest rate (EIR);
- The modification changes the currency, introduces new optionality (such as conversion or prepayment features), or significantly alters the credit risk profile of the instrument;
- The modification results in a significant change in the timing or amount of contractual cash flows such that, in substance, the rights under the original contract have expired.

Where the modification is assessed to be substantial:

- The original financial asset is derecognised, and
- A new financial asset is recognised at fair value, with the resulting gain or loss recognised in profit or loss under the impairment charge line for the current year.

Where the modification does not result in substantially different cash flows:

- The asset is not derecognised;

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(f) Financial assets and liabilities (continued)

(v) Modifications of financial assets and financial liabilities (continued)

Financial assets (Continued)

- The gross carrying amount is recalculated as the present value of the modified cash flows discounted at the original EIR; and

The resulting modification gain or loss is recognised immediately in profit or loss.

The impact of modifications of financial assets on the expected credit loss calculation is discussed in Note 4 (a) (iii).

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(v) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are presented on a gross basis as the Bank does not enter into netting arrangements that meet the criteria under IAS 32 for offsetting.

(g) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(g) Fair value measurement (continued)

If an asset or liability measure at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank measure fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.
- Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models.
- Assumptions and inputs used in valuation techniques include risk-free and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates and correlations.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

- The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows in the financial statements, cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(i) Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the asset.

Subsequent expenditure is capitalised only when it is probable that future economic benefits of the expenditure will flow to the Bank. On-going repairs and maintenance are expensed as incurred.

Depreciation is charged on a straight-line basis to allocate the cost of each asset, to its residual value over its estimated useful life as follows:

Description	Rate
Motor vehicles	25.00%
Furniture, fixtures and fittings	12.50%
Office equipment	12.50%
Computer equipment	20.00%
Residential furniture	33.33%
Leasehold improvements	12.50% or over the period of lease if shorter than 8 years

Depreciation is recognised in profit or loss. The assets' residual values and useful lives are reviewed and adjusted as appropriate, at each reporting date.

Any gains or losses on disposal of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in other income in profit or loss.

(j) Intangible assets

Computer software

The costs incurred to acquire and bring to use specific computer software licences are capitalised. Software is measure at cost less accumulated amortisation and accumulated impairment from the date it is available for use. The costs are amortised on a straight-line basis over the expected useful lives, from the date it is available for use, not exceeding five years.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

Costs associated with maintaining software are recognised as an expense as incurred. Amortisation methods, residual values and useful lives are reviewed and adjusted as appropriate, at each reporting date.

(k) Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and group. Impairment losses are recognised in the profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

(i) Defined contribution plan

The Bank and its employees contribute to National Social Security Fund on a mandatory basis. These are defined contribution schemes. Employees contribute 10% while the Bank contributes 10% to the scheme. A defined contribution scheme is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Bank's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

(ii) Leave accrual

The monetary value of the unutilised leave by staff as at year end is recognised within accruals and the movement in the year is debited/credited to the profit or loss.

(m) Share capital and share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of an equity instrument are deducted from initial measurement of the equity instruments.

(n) Dividends

Dividends are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been ratified at the Annual General Meeting.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(o) Contingent liabilities

Letters of credit, acceptances and guarantees are not recognised and are disclosed as contingent liabilities. Estimates of the outcome and the financial effect of contingent liabilities is made by management based on the information available up to the date the financial statements are approved for issue by the directors. Any expected loss is charged to profit or loss.

(p) New standards, amendments and interpretations

(i) New and amended standards adopted by the Bank

The following new and amended International Financial Reporting Standards ("IFRS Accounting Standards") have been adopted by the Bank for the first time in the financial year beginning 1 January 2025. These standards have been applied in preparing the 31 December 2025 financial statements. The adoption of these amendments has not had a material impact on the Bank's financial position, performance or related disclosures.

International Financial Reporting Standards and amendments effective for the first time for December 2025 year-ends		
Number	**Effective date**	**Executive Summary**
Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Annual periods beginning on or after 1 January 2025	Under the amendments, companies are required to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures include: • the nature and financial impacts of the currency not being exchangeable. • the spot exchange rate used; • the estimation process; and • risks to the company because the currency is not exchangeable.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(ii) New and amended standards not yet effective

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Amendment to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' – Classification and Measurement of Financial Instruments (Published May 2024)	Annual periods beginning on or after 1 January 2026	These amendments: ● clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ● clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; ● add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and ● make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(s) New standards, amendments and interpretations (continued)

(ii) New and amended standards not yet effective (continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Annual Improvements to IFRS Accounting Standards – Amendments to; IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual periods beginning on or after 1 January 2026	The annual improvements process aims to improve the clarity and internal consistency of IFRS® Accounting Standards. In this volume of improvements, the International Accounting Standards Board (IASB) makes minor amendments to IFRS 9 *Financial Instruments* and to a further four accounting standards[1]. The amendments to IFRS 9 address: • a conflict between IFRS 9 and IFRS 15 *Revenue from Contracts with Customers* over the initial measurement of trade receivables; and • how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026	
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027	Presentation and disclosure of financial statements – IFRS 18 IFRS 18 promotes a more structured income statement, introduces a newly defined "operating profit" subtotal, and a requirement for all income and expenses to be classified into three new distinct categories based on an entity's business activities. The new standard requires an entity to analyze their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis. In addition, the standard defines "management-defined performance measures" (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted. The impact of this standard on the Bank is currently being assessed.

3. MATERIAL ACCOUNTING POLICY (CONTINUED)

(s) New standards, amendments and interpretations (continued)

(ii) New and amended standards not yet effective (continued)

Number	Effective date	Executive Summary
IFRS 19, 'Subsidiaries without Public Accountability' (Published May 2024)	Annual periods beginning on or after 1 January 2027	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.
IAS 21 The Effects of Changes in Foreign Exchange Rates	Annual periods beginning on or after 1 January 2027	Under the current translation requirements, net assets or net liabilities are translated using the closing rate at the reporting date, reflecting the decline in economic value of the hyperinflationary presentation currency. In contrast, income and expenses and other components of equity are translated using historical exchange rates. The resulting exchange differences are recognised in the foreign currency translation reserve (in other comprehensive income), which could grow significantly in a hyperinflationary economic environment. Under the amendments, a company may no longer see its foreign currency translation reserve growing more than other components of equity. This is because the company would use the same closing rate to translate all amounts, including components of equity, into its presentation currency. Additionally, the amendments introduce the use of the general price index to restate the comparatives of certain foreign operations. This change may simplify companies' procedures by eliminating the need to reperform the consolidation procedures for comparatives.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The implementation of the amendments is not expected to have a material impact on the financial statements of the bank.

4. FINANCIAL RISK MANAGEMENT

This section provides details of the Bank's exposure to risk and describes the methods used by management to control risk.

Financial risk

Significant types of risk to which the Bank is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk includes foreign exchange risk, interest rate risk and price risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

The Board of Directors of the Bank has delegated responsibility of the management of credit risk to the Board Credit Committee. Further, the Bank has its own Credit Risk Management Committee that reports to the Board Credit Committee. The Bank's credit exposure at the reporting date from financial instruments held or issued for trading purposes is represented by the fair value of instruments with a positive or negative fair value at that date, as recorded on the statement of financial position.

The Bank monitors the credit risk of its trading instruments on an ongoing basis; however, such instruments are limited in nature and arise primarily from customer-driven foreign exchange dealings. Credit-risk assessment for these positions considers mark-to-market values—whether positive or negative—and the volatility of those values over the instruments' remaining life, with oversight performed as part of the Bank's broader treasury risk-management framework rather than through a standalone trading book.

To manage the level of credit risk, the Bank deals with counter parties of good credit standing wherever possible and when appropriate, obtains collateral.

An assessment of the extent to which fair values of collaterals cover existing credit risk exposure on loans and advances to customers is highlighted below.

(b) Credit quality analysis

The Bank also monitors concentrations of credit risk that arise by industry and type of customer in relation to group loans and advances to customers by carrying a balanced portfolio. The Bank has no significant exposure to any individual customer or counterparty.

To determine impairment of loans and advances, the Bank assesses whether it is probable that it will be unable to collect all principal and interest according to the contractual terms of the loans and advances.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(i) Credit quality analysis (continued)

(i) The following table presents the credit quality of financial assets measured at amortised cost. Unless otherwise stated, the figures represent the gross carrying amounts, the related impairment allowances, and the resulting amortised cost. Refer to Note 3(f)(iii) for the definitions of 12-month ECL, lifetime ECL, and credit-impaired used in the staging of these assets and note 4(a)(iii) for definitions of Stage 1,2 and 3.

2025:

Risk classification	12-month ECL TZS' 000	Lifetime ECL Not Credit Impaired TZS' 000	Lifetime ECL Credit Impaired TZS' 000	Total 31 December 2025 TZS' 000
Loans and advances to Customers at amortised cost				
Stage 1	490,656,228	-	-	490,656,228
Stage 2	-	46,517,929	-	46,517,929
Stage 3	-	-	22,572,249	22,572,249
Gross carrying amount	**490,656,228**	**46,517,929**	**22,572,249**	**559,746,406**
Expected Credit Loss	(4,948,823)	(15,836,838)	(10,984,686)	(31,770,347)
Carrying amount	**485,707,405**	**30,681,091**	**11,587,563**	**527,976,059**

2024:

Risk classification	12-month ECL TZS' 000	Lifetime ECL Not Credit Impaired TZS' 000	Lifetime ECL Credit Impaired TZS' 000	Total 31 December 2024 TZS' 000
Loans and advances to Customers at amortised cost				
Stage 1	346,255,867	-	-	346,255,867
Stage 2	-	63,624,150	-	63,624,150
Stage 3	-	-	37,615,732	37,615,732
Gross carrying amount	**346,255,867**	**63,624,150**	**37,615,732**	**447,495,749**
Expected Credit Loss	(1,436,243)	(1,051,839)	(9,984,632)	(12,472,714)
Carrying amount	**344,819,624**	**62,572,311**	**27,631,100**	**435,023,035**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(i) Credit quality analysis (continued)

2023:

Risk classification	12 month ECL TZS' 000	Lifetime ECL Not Credit Impaired TZS' 000	Lifetime ECL Credit Impaired TZS' 000	Total 31 December 2023 TZS' 000
Loans and advances to Customers at amortised cost				
Stage 1	349,667,811	-	-	349,667,811
Stage 2	-	53,450,844	-	53,450,844
Stage 3	-	-	85,419,774	85,419,774
Gross carrying amount	**349,667,811**	**53,450,844**	**85,419,774**	**488,538,429**
Expected Credit Loss	(1,336,020)	(421,623)	(36,966,695)	(38,724,338)
Carrying amount	**348,331,791**	**53,029,221**	**48,453,079**	**449,814,091**

The Bank has assessed the following financial assets as Stage 1 exposures. While a 12-month expected credit loss is recognised for Stage 1 assets, the resulting ECL for these particular exposures was assessed to be immaterial as at 31 December 2025.

	2025	**2024**	**2023**
	TZS '000	**TZS '000**	**TZS '000**
Balances with central bank	87,616,072	78,330,303	45,808,399
Loans and advances to banks	104,872,525	61,038,155	444,221
Government securities at FVTPL	-	1,688,839	39,543,172
Government securities at amortised cost	148,543,604	165,676,022	1,539,707
Due from group companies	9,828,215	7,730,343	3,192,275
Other assets	18,597,038	10,104,726	151,753,391
	369,457,454	**324,568,388**	**3,765,445**

Other assets exclude prepayments and tax receivables which are non-financial assets.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(i) Credit quality analysis (continued)

The following shows the grading of loans and advances to customers in line with local prudential guidelines.

Loans and advances to customers	IFRS 9 stage	Average PD	2025 TZS '000	2024 TZS '000	2023 TZS '000
Identified impairment:					
Grade 3: Substandard	3	1.00	15,249,416	14,869,722	20,261,769
Grade 4: Doubtful	3	1.00	3,494,006	13,777,516	18,703,393
Grade 5: Loss	3	1.00	3,828,827	8,968,494	46,454,612
			22,572,249	**37,615,732**	**85,419,774**
Specific allowance for impairment			(10,984,685)	(9,984,632)	(36,966,695)
Carrying amounts			**11,587,564**	**27,631,100**	**48,453,079**
Unidentified impairment:					
Grade 2: Watch	2	0.00343	46,517,929	63,624,150	53,450,844
Grade 1: Normal	1	0.00511	490,656,228	346,255,867	349,667,811
			537,174,157	**409,880,017**	**403,118,655**
Portfolio impairment provision			(20,785,662)	(2,488,082)	(1,757,643)
Carrying amounts			**516,388,495**	**407,391,935**	**401,361,012**
Total carrying amounts			**527,976,059**	**435,023,035**	**449,814,091**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Financial risk (continued)

(a) Credit risk (continued)

(i) Credit quality analysis (continued)

Identified impairment:	IFRS 9 stage	Average PD	Gross TZS '000	Net TZS '000
31 December 2025				
Grade 3: Substandard	3	1.00	15,249,416	10,341,479
Grade 4: Doubtful	3	1.00	3,494,006	965,386
Grade 5: Loss	3	1.00	3,828,827	280,699
			22,572,249	**11,587,564**
31 December 2024				
Grade 3: Substandard	3	1.00	14,869,722	12,348,062
Grade 4: Doubtful	3	1.00	13,777,516	12,795,620
Grade 5: Loss	3	1.00	8,968,494	2,487,418
			37,615,732	**27,631,100**
31 December 2023				
Grade 3: Substandard	3	1.00	20,261,769	14,672,819
Grade 4: Doubtful	3	1.00	18,703,393	14,725,346
Grade 5: Loss	3	1.00	46,454,612	19,054,914
			85,419,774	**48,453,079**
Unidentified impairment:				
31 December 2025				
Grade 1: Normal	1	0.00343	490,656,228	485,707,404
Grade 2: Watch	2	0.00511	46,517,929	30,681,091
			537,174,157	**516,388,495**
31 December 2024				
Grade 1: Normal	1	0.00343	346,255,867	344,819,624
Grade 2: Watch	2	0.00511	63,624,150	62,572,311
			409,880,017	**407,391,935**
31 December 2023				
Grade 1: Normal	1	0.00343	349,667,811	348,331,791
Grade 2: Watch	2	0.00511	53,450,844	53,029,221
			403,118,655	**401,361,012**

Impaired loans and advances

Impaired loans and advances are loans for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreement(s). These loans are graded 3 (substandard) to 5 (loss) in the Bank's internal credit risk and grading system.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(i) Credit quality analysis (continued)

Neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed with reference to the bank's internal rating system. All such loans must be performing in accordance with the contractual terms and are expected to continue doing so. Loans in this category are fully protected by their current sound net worth and paying capacity of the borrower. These loans and advances are categorised as normal in line with BOT prudential guidelines.

Past due but not impaired loans and advances

These are loans where credit risk has increased significantly—often indicated by past-due status or other adverse credit indicators—but the loans are not considered credit-impaired. Based on this deterioration in the borrower's probability of default, they are classified as Stage 2 under the Bank's credit risk grading framework.

(i) Collateral and other security enhancements

The Bank holds collateral against loans and advances to customers in the form of cash, residential, commercial and industrial property; fixed assets such as plant and machinery; marketable securities; bank guarantees and letters of credit, mortgage interests over property and other registered securities over assets and guarantees. Estimate of fair value are based on the value of collateral assessed at the time of borrowing and updated every three years in line with the bank's policy.

The Bank also enters into collateralised reverse purchase agreements. Risk mitigation policies control the approval of collateral types. Collateral is valued in accordance with the bank's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral.

Collateral held against impaired loans is maintained at fair varestalue. The valuation of collateral is monitored regularly and is back tested at least annually.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse purchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held as at 31 December 2025 and 31 December 2024.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(ii) Collateral and other security enhancements (Continued)

An estimate of the fair value of collateral held against loans and advances to customers subject to collateral requirements at the end of the year is shown below:

	Gross collateralized exposure	Impairment Allowance	Carrying amount	Fair value of collateral held	Percentage of exposure that is subject to collateral requirements
31-Dec-2025	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	
Stage I	490,656,228	4,948,824	485,707,404	1,061,033,988	216%
Stage II	46,517,929	15,836,838	30,681,091	118,193,566	254%
Stage III	22,572,249	10,984,685	11,587,564	12,052,479	53%
	559,746,406	31,770,347	527,976,059	1,191,280,033	
31-Dec-2024					
Stage I	346,255,867	1,436,243	344,819,624	726,368,772	210%
Stage II	63,624,150	1,051,839	62,572,311	83,992,634	132%
Stage III	37,615,732	9,984,632	27,631,100	31,032,772	82%
	447,495,749	12,472,714	435,023,035	841,394,178	

(iii) Amounts arising from ECL

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)
Expected credit loss measurement (Continued)

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.
- Purchased or originated credit-impaired financial assets (POCIs) are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis. The bank had no POCIs as at 31 December 2025.

Grouping of *instruments* for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/external supplementary data to use for modelling purposes. The loan segmentation in the ECL model is categorised as per the below sectors where applicable: Agriculture, Trade, Building and Construction, Education, Housing, Hotel, Manufacturing, Mining & Quarrying, Personal, Real Estate, Other services, Transport and Communication and Tourism.

The following exposures are assessed individually:

- Stage 3 loans and overdraft facilities
- Properties in repossession proceedings

The appropriateness of these groupings is periodically reviewed by the Credit Risk team. The Bank groups exposures based on product type, with segmentation by sector incorporated as follows

Secured term loans - Includes term loans secured by collateral such as legal mortgage, guarantees, or cash cover. This group consists of Corporate Loans, Special Asset Loans, Invoice Financing Loans, Personal Loans with cash cover, SME Loans, Staff Mortgages, and Car Loans.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

These loans are further segmented into the relevant sectors such as Trade, Manufacturing, and Real Estate.

Unsecured term loans - Includes all unsecured facilities such as Staff Loans and Personal Loans, with segmentation applied based on the borrower's sector where applicable.

Digital loans – Includes short-term overdrafts issued to mobile network operator customers, categorized under the Personal sector.

Overdrafts – Includes all overdraft advances issued to Corporate customers, SMEs and Personal loans. These overdrafts are classified based on the industry sector, such as Trade, Transport & Communication, and Tourism.

Off balance sheet items – Includes all financial guarantees, letters of credit, and unutilized loan commitments, categorized according to the industry sector of the underlying exposure.

Credit risk grading

Other than for loans and advances to banks and investment securities, for which the Bank applies internal credit rating models, the Bank primarily relies on the regulatory credit-risk classification framework prescribed in its operating jurisdiction to determine credit risk grades that reflect its assessment of the probability of default of individual counterparties.

In addition, the regulatory classification framework is supplemented by:

(i) Borrower- and loan-specific information collected at origination, such as disposable income and collateral levels for retail exposures, and turnover, financial performance, and industry characteristics for wholesale exposures.

(ii) External data sources, including credit bureau scores and other third-party credit information relevant to the borrower.

(iii) Expert judgement from Credit Risk Officers, which is incorporated into the final credit rating to ensure that qualitative considerations—especially those not fully captured by model-driven inputs—are appropriately reflected.
The Bank's credit grades are calibrated such that the probability of default increases progressively and non-linearly at each higher risk grade, ensuring appropriate differentiation of credit quality across the portfolio.

The following are additional considerations for each type of portfolio held by the Bank:

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Credit risk grading (continued)

Generating the term structure of PD

Customer loans and advances

Following initial recognition, borrowers' repayment behaviour is monitored periodically to generate updated behavioural scores and capture any additional information that may affect their creditworthiness. Furthermore, relationship managers continuously update the credit system with new or revised information, including updated credit assessments, to ensure that borrower profiles remain accurate and reflective of current risk conditions.

Loans and advances to banks

The Bank determines a significant increase in credit risk for interbank exposures by assessing internal credit ratings, financial strength, external ratings, country risk, exposure levels, and market indicators. A significant increase is identified when internal ratings deteriorate, adverse developments occur, or there are signs the counterparty may face difficulty meeting its obligations.

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction (country) and borrower and type of product as well as by credit risk grading.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macroeconomic drivers extend beyond GDP growth to include exchange rates, interest rates, domestic demand and consumption, external sector indicators (exports, imports, reserves), and inflationary conditions.

Based on advice from the Risk Committees and economic experts and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Bank then uses these forecasts to adjust its estimates of PDs.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert judgment and, where possible, relevant historical experience, the Bank identifies exposures where credit risk has increased, even if this is not yet captured in quantitative models. This includes factors such as declining financial performance, industry challenges, changes in payment behaviour, covenant breaches, restructuring requests, or other signs of weakening creditworthiness. These qualitative assessments complement the Bank's quantitative analysis to ensure early identification of elevated credit risk.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined by considering any grace period that might be available to the borrower.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria is capable of identifying significant increase in credit risk when an asset becomes 30 days past due; and
- the transfers between Stage 1 and Stage 2 do not create unnecessary volatility in the loss allowance.

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative – e.g., breaches of covenant.
- quantitative – e.g., overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Assets and Liabilities Committee (ALCO) and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the International Monetary Fund (IMF), World Bank, Bank of Tanzania and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses. The Banking Industry non-performing loans (NPL %) was a reasonable approximation to the default risk. The correlation between the Banking Industry non-performing loans (NPL%) with the macroeconomic factors was then inferred to the Bank's predicated Probabilities of Default.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Further, in determining the economic scenarios to be applied, each of the economic variable was adjusted either upside or downside using the historical standard deviation.

Base Case- These are the forecasted probabilities of default under current normal macro-economic conditions.

Pessimistic Case/ Downside - These are the forecasted probabilities of default under adverse macro-economic conditions obtained by stressing the current macro-economic variables by the mean standard deviation.

Optimistic Case/ Upside - These are the forecasted probabilities of default under a positive macro-economic outlook obtained by stressing the current macro-economic variables by the mean standard deviation.

The weights are developed based on the average number of loans under default for the past 24 months considering the distribution of the default rates around the mean standard deviation.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Amounts arising from ECL (continued)

The constant rate used in macroeconomic variables refers to a scenario where a particular macroeconomic variable is assumed to remain unchanged over the forecast period instead of following a dynamic or forward-looking projection. The most significant period-end macroeconomic factors used for the ECL estimate as at 31 December are set our below. The scenarios "base", "upside" and "downside" were used for all portfolios.

Significant macroeconomic factors based on sectors

		2025		
	Coefficient/	Base	Upside	Downside
Macro-Economic Variable	**Sensitivity**	**%**	**%**	**%**
Weighting		**50**	**20**	**30**
Agriculture				
Short-term debt	2.8879	5.00	3.00	8.00
Constant rate	(2.4339)			
Trade				
Imports of goods and services	(6.40657)	(3.203)	(1.922)	(4.164)
Consumption real growth	46.8542	23.427	14.056	35.279
Domestic demand per capita	(21.2379)			
Constant rate				
Mining and Quarrying				
Exchange Rate	22.94062	11.47	6.882	17.205
Government final consumption per capita	(41.9211)	(20.961)	(12.577)	(31.337)
Constant rate	0.080128			
Transport and Communication				
Consumption real growth	66.43588	33.218	19.931	49.851
Exchange rate	23.5081	11.754	7.052	17.631
Constant rate	(5.5264)			
Financial Services				
Exchange rate	21.48208	10.741	6.445	16.112
Services exports	(9.1752)	(4.588)	(2.753)	(6.878)
Exports of goods and services	8.4395	4.22	2.532	6.33
Constant rate	(2.42129)			
Tourism, Tourism and Hotels				
Exchange rate	29.56743	14.784	8.87	22.15
Imports of goods and services per capita	3.570228	1.785	1.071	2.678
Constant rate	(2.32501)			
Building and Construction				
Exchange rate	56.98501	28.493	17.096	42.74
Domestic demand per capita	32.34203	16.171	9.703	24.257
Nominal GDP per capita	(26.3334)	(13.167)	(5.267)	(26.667)
Constant rate	(1.62186)			

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Significant macroeconomic factors based on sectors (continued)

	2025			
	Coefficient/	**Base**	**Upside**	**Downside**
Macro-Economic Variable	**Sensitivity**	**%**	**%**	**%**
Weighting		**50**	**20**	30
Real Estate and Housing Loans				
Exchange rate	22.46516	11.233	6.74	16.85
Import price index	7.766131	3.883	2.33	5.849
Exports of goods and services per capita	1.512977	0.756	0.454	1.134
Constant rate	(0.30572)			
Manufacturing				
Exchange rates	8.089081	4.045	2.427	6.068
Foreign reserves	(3.06467)	(1.532)	(0.92)	(2.299)
Exports of goods and services	(1.40518)	(0.703)	(0.422)	(1.055)
Constant rate	(1.94167)			
Personal				
Exchange rate	9.590184	4.795	2.878	7.193
Exports of goods and services per capita	(2.68698)	(1.343)	(0.806)	(2.015)
Interest payments	2.005518	1.003	0.602	1.505
Constant rate	(1.60014)			

The Bank updated its approach to assessing economic risks this year by looking beyond interest rates and exchange rates to also consider factors such as spending by consumers, demand in the economy, and trade activities. It also placed more emphasis on potential downside scenarios to reflect increased uncertainty. These changes help provide a more complete and realistic view of how economic conditions could affect the Bank.

The below table lists the macroeconomic forecasts used in the estimation of ECL.

Macro-Economic Variable	2026	2027	2028	2029	2030
Nominal GDP per capita	0.71%	5.01%	5.26%	6.23%	6.18%
Short-term debt	0.91%	0.42%	0.78%	0.84%	0.96%
Imports of goods and services	0.41%	5.62%	2.62%	3.57%	4.00%
Consumption real growth	0.42%	9.41%	9.85%	9.97%	9.82%
Domestic demand per capita	0.25%	6.42%	6.89%	7.04%	6.92%
Exchange Rate	0.83%	-1.42%	7.73%	9.61%	9.88%
Government final consumption per capita	0.65%	2.25%	6.81%	5.91%	5.71%
Services exports	0.27%	3.16%	2.29%	2.28%	2.25%
Exports of goods and services	0.20%	4.19%	1.64%	3.29%	3.72%
Imports of goods and services per capita	0.57%	4.00%	4.00%	4.00%	4.00%

4. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Significant macroeconomic factors based on sectors (continued)

		2024		
	Coefficient/	**Base**	**Upside**	**Downside**
Macro-Economic Variable	**Sensitivity**	**%**	**%**	**%**
Weighting		**70.83%**	**12.50%**	**16.67%**
Agriculture				
Repo rate	35.1494	5.30%	4.18%	6.42%
Constant rate	(1.7051)			
Hotel and Restaurant				
Repo rate	30.047	5.30%	7.06%	3.54%
Savings rate	(90.713)	8.12%	7.79%	9.88%
Constant rate	4.833			
Trade				
Repo rate	11.6651	5.30%	6.42%	4.18%
Savings rate	(30.7552)	8.11%	7.79%	8.44%
Constant rate	(0.7475)			
Services				
91 Day T-bills	(42.616)	5.60%	4.14%	7.07%
Savings rate	(174.346)	8.12%	7.79%	8.44%
Constant rate	12.597			
Personal loan				
91 Day T-bills	14.379	5.60%	7.07%	4.14%
364 Day T-bills	11.517	10.12%	11.76%	8.47%
Constant rate	(4.768)			
Building and Construction				
364 Day T-bills	18.345	9.98%	11.63%	8.33%
Foreign exchange rates	9.6169	(4.04%)	(1.53%)	(6.54%)
Constant rate	(1.8363)			
Real Estate				
Central bank rate	10.4955	6.00%	6.23%	5.77%
Inflation rate	27.9332	3.02%	3.07%	2.97%
Constant rate	(3.8675)			
Manufacturing				
Interbank rate	(23.682	7.28%	6.91%	7.66%
Currency exchange rates	7.985	0.87%	1.10%	0.64%
Public debt to GDP	109.818	36.13%	36.19%	36.06%
Constant rate	(42.583)			

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

Loss Given Default (LGD) represents the Banks's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed. For unsecured products, LGD's are assessed based on recovery experience.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Measurement of ECL (continued)

- segment type; and
- credit risk quality

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

ECL - Sensitivity analysis – Stage 1 and 2 of non-digital loans

For the purposes of the Bank's actual weighting of its economic scenarios, a 50% probability weighting is applied to the baseline scenario; with a 20% and 30% probability weighting applied to the upside and downside scenarios, respectively. However, given the level of uncertainty required in the determination of ECL, the Bank has conducted a sensitivity analysis in order to indicate the impact on the ECL when assigning a probability weighting of 100% to each macroeconomic variable scenario. The analysis only reflects the impact of changing the probability assigned to each scenario to 100% and does not include management adjustments required to provide a more appropriate assessment of risk.

	ECL allowance after the change			**Increase/Decrease in ECL allowance**		
	2025	**2024**	**2023**	**2025**	**2024**	**2023**
	TZS'000	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
100% upside scenario	17,626,410	1,694,057	816,524	(104,739)	419,718	115,747
100% base scenario	17,728,528	1,274,407	675,040	(2,621)	68	(25,737)
100% downside scenario	17,832,628	959,563	551,192	101,479	(314,776)	(149,585)

4. FINANCIAL RISK MANAGEMENT (Continued)
Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Measurement of ECL (continued)
ECL - Sensitivity analysis

Change in Market Value of Collaterals

	Increase by 5%			Decrease by 5%		
	2025	2024	2023	2025	2024	2023
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Increase/(decrease) in ECL allowance	(955,219)	(767,240)	(1,316,797)	155,342	828,036	642,340

Change in realization period

	Increase by 5%			Decrease by 5%		
	2025	**2024**	**2023**	**2025**	**2024**	**2023**
	TZS'000	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
Increase/(decrease) in ECL allowance	1,713,080	1,471,950	1,438,731	(2,487,859)	(1,127,787)	(1,635,385)

ECL Sensitivity Analysis – Kamilisha digital loans

The Bank conducts periodic stress testing on the impairment allowance by adjusting key assumptions, including changes in loan exposure and loss ratios. The table below presents the impact of various sensitivity scenarios on the impairment allowance as at 31 December 2025.

2025

Scenario	**Exposure (TZS '000)**	**Loss Ratio (LR) (%)**	**ECL Allowance (TZS '000)**	**Change (%)**
Base Case	18,420,548	53%	9,675,089	-
Optimistic Case (-5% Exposure, -5% LR)	17,499,521	47%	8,316,359	(14%)
Pessimistic Case (+5% Exp, +5% LR)	19,341,575	58%	11,218,114	16%
Stress Case (+10% Exp, +15% LR)	20,262,603	68%	13,778,570	42%

(i) Optimistic Case: Conversely, a 5% reduction in exposure and 5% decrease in loss ratio would reduce impairment by 14%, positively affecting financial performance.
(ii) Pessimistic Case: A 5% increase in exposure and 5% increase in loss ratio would result in a 16% rise in impairment provisions, impacting profitability.
(iii) Stress Case: A 10% increase in exposure and 15% increase in loss ratio would increase impairment by 42%, impacting profitability.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Measurement of ECL (continued)

ECL - Sensitivity analysis (continued)

2024

Scenario	Exposure (TZS '000)	Loss Ratio (LR) (%)	ECL Allowance (TZS '000)	Change (%)
Base Case	15,821,971	30%	4,801,454	-
Optimistic Case (-5% Exposure, -5% LR)	15,030,873	29%	4,333,312	(10%)
Pessimistic Case (+5% Exp, +5% LR)	16,613,070	32%	5,293,603	10%
Stress Case (+10% Exp, +15% LR)	17,404,168	35%	6,073,839	27%

(i) Optimistic Case: Conversely, a 5% reduction in exposure and 5% decrease in loss ratio would reduce impairment by 10%, positively affecting financial performance.

(ii) Pessimistic Case : A 5% increase in exposure and 5% increase in loss ratio would result in a 10% rise in impairment provisions, impacting profitability.

(iii) Stress Case: A 10% increase in exposure and 15% increase in loss ratio would increase impairment by 27%, impacting profitability.

Write-off policy

The Bank writes off financial assets that have been past due for more than 720 days. Financial assets are written off when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Modified financial assets

The table below summarizes financial assets with lifetime expected credit losses (ECL) whose contractual cash flows were modified during the period due to the financial difficulties of borrowers. The table shows the gross carrying amounts immediately before and after modification and the resulting net modification gain or loss:

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

(iii) Amounts arising from ECL (continued)

Measurement of ECL (continued)

ECL - Sensitivity analysis (continued)

	2025	2024	2023
	TZS'000	TZS'000	TZS'000
Gross carrying amount	1,933,065	36,973,321	1,933,065
Net modification (loss)/gain	(268,747)	371,233	(268,747)

Modifications were generally non-substantial and the impact on profit or loss is presented in the net modification gain/loss.

(iv) Credit quality of other financial assets

Amounts due from banks

Balances due from other banks are categorized as stage 1. The Probability of Default (PD) is immaterial hence no impairment was recognized as at 31 December 2025 (2024: Nil). The expected credit loss is expected to be insignificant.

Debt securities, treasury bills and other eligible bills

The Bank holds Government of Tanzania Treasury Bills and Bonds, classified as Stage 1 due to their low credit risk. The ECL was calculated using a PD of 1.86% based on the sovereign B+ rating. LGD was estimated at 0.072% using transaction costs on disposal at the DSE, reflecting high liquidity and strong repayment history. This methodology is subject to periodic review to ensure ongoing compliance with applicable standards. This resulted in an impairment charge of TZS 1.77 million as at 31 December 2025 (2024: TZS 2.01 million).

Balances with Bank of Tanzania and other assets

Other assets, including balances with the Bank of Tanzania, are classified as Stage 1 due to their low credit risk. The Exposure at Default (EAD) represents the carrying amount of these balances, while the Probability of Default (PD) and Loss Given Default (LGD) are assessed as negligible given the strong credit quality of the counterparty. Accordingly, the resulting Expected Credit Loss (ECL) is considered immaterial, and no impairment has been recognised as at 31 December 2025 (2024: Nil).

4. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Concentration of risks of financial assets with credit risk exposure

(i) Geographical sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2025. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties.

	Tanzania	Europe	America	Others	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balances with Bank of Tanzania	87,616,072	-	-	-	87,616,072
Loans and advances to Banks	43,561,882	31,769,334	24,918,896	4,622,413	104,872,525
Loans and advances to customers	527,976,059	-	-	-	527,976,059
Due from group companies	-	-	-	9,828,215	9,828,215
Government securities measured at FVOCI	-	-	-	-	-
Government securities measured at FVTPL	-	-	-	-	-
Government securities at amortised cost	148,543,604	-	-	-	148,543,604
Other assets (excluding prepayments and advances)	18,597,038	-	-	-	18,597,038
As 31 December 2025	**826,294,655**	**31,769,334**	**24,918,896**	**14,450,628**	**897,433,513**
Credit risk exposures relating to off-balance sheet items are as follows:					
Letters of credit	49,513,917	-	-	-	49,513,917
Outstanding guarantees and indemnities	52,454,783	-	-	-	52,454,783
Acceptances and Undrawn balances	66,135,206	-	-	-	66,135,206
As 31 December 2025	**168,103,906**	**-**	**-**	**-**	**168,103,906**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

(i) Geographical sectors (Continued)

	Tanzania TZS '000	Europe TZS '000	America TZS '000	Others TZS '000	Total TZS '000
Balances with Bank of Tanzania	78,330,303	-	-	-	78,330,303
Items in course of collection					-
Loans and advances to Banks	3,042,209	2,616,276	55,034,534	345,136	61,038,155
Loans and advances to customers	435,023,035	-	-	-	435,023,035
Due from group companies	-	-	-	7,730,343	7,730,343
Government securities measured at FVTPL	1,688,839	-	-	-	1,688,839
Government securities at amortised cost	165,676,022	-	-	-	165,676,022
Other assets (excluding prepayments and advances)	10,104,727	-	-	-	10,104,727
As 31 December 2024	**693,865,135**	**2,616,276**	**55,034,534**	**8,075,479**	**759,591,424**
Credit risk exposures relating to off-balance sheet items are as follows:					
Letters of credit	23,063,380	-	-	-	23,063,380
Outstanding guarantees and indemnities	41,212,602	-	-	-	41,212,602
Acceptances and Undrawn balances	61,681,115	-	-	-	61,681,115
As 31 December 2024	**125,957,097**	**-**	**-**	**-**	**125,957,097**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

(a) Credit risk (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

(ii) Industry sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by the industry sectors of its counterparties.

	Financial institutions	Agriculture	Manufacturing	Trade & Services	Government	Transportation	Building & construction	Real Estate	Others	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balances with Bank of Tanzania	87,616,072	-	-	-	-	-	-	-	-	**87,616,072**
Loans and advances to Banks	104,872,525	-	-	-	-	-	-	-	-	**104,872,525**
Loans and advances to customers	-	7,894,395	95,851,317	183,073,524	23,318,241	50,028,895	10,237,005	30,151,577	127,421,105	**527,976,059**
Due from group companies	9,828,215	-	-	-	-	-	-	-	-	**9,828,215**
Government securities measured at FVOCI	-	-	-	-	-	-	-	-	-	**-**
Government securities at amortised cost	-	-	-	-	148,543,604	-	-	-	-	**148,543,604**
Other assets (excluding prepayments and advances)	18,597,038	-	-	-	-	-	-	-	-	**18,597,038**
At 31 December 2025	**220,913,850**	**7,894,395**	**95,851,317**	**183,073,524**	**171,861,845**	**50,028,895**	**10,237,005**	**30,151,577**	**127,421,105**	**897,433,513**

Credit risk exposures relating to off-balance sheet items are as follows:

	Financial institutions	Agriculture	Manufacturing	Trade & Services	Government	Transportation	Building & construction	Real Estate	Others	Total
Letters of credit	-	-	8,826,677	27,322,909	-	5,089,280	3,031,700	5,243,350	-	**49,513,916**
Outstanding guarantees	-	-	380,354	14,936,149	-	-	34,903,901	-	2,234,379	**52,454,783**
Acceptances and Undrawn balances	-	-	23,431,141	28,401,141	-	7,253,569	-	934,425	6,114,931	**66,135,207**
At 31 December 2025	-	-	32,638,172	70,660,199	-	12,342,849	37,935,601	6,177,775	8,349,310	**168,103,906**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONTINUED)

(a) Credit risk (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

(ii) Industry sectors (Continued)

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by the industry sectors of its counterparties.

	Financial institutions	Agriculture	Manufacturing	Trade & Services	Government	Transportation	Building & construction	Real Estate	Others	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balances with Bank of Tanzania	78,330,303	-	-	-	-	-	-	-	-	**78,330,303**
Loans and advances to Banks	61,038,155	-	-	-	-	-	-	-	-	**61,038,155**
Loans and advances to customers	-	26,408,673	112,380,357	142,180,924	-	33,368,916	21,461,131	27,499,525	71,723,509	**435,023,035**
Due from group companies	7,730,343	-	-	-	-	-	-	-	-	**7,730,343**
Government securities measured at FVOCI	-	-	-	-	-	-	-	-	-	**-**
Government securities measured at FVTPL	-	-	-	-	1,688,839	-	-	-	-	**1,688,839**
Government securities at amortised cost	-	-	-	-	165,676,022	-	-	-	-	**165,676,022**
Other assets (excluding prepayments and advances)	303,273	-	-	-	-	9,801,454	-	-	-	**10,104,727**
At 31 December 2024	**147,402,074**	**26,408,673**	**112,380,357**	**142,180,924**	**167,364,861**	**43,170,370**	**21,461,131**	**27,499,525**	**71,723,509**	**759,591,424**
Credit risk exposures relating to off-balance sheet items are as follows:										
Letters of credit	-	-	2,272,620	15,719,260	-	-	2,989,000	2,082,500	-	**23,063,380**
Outstanding guarantees	-	-	772,357	10,035,104	-	-	28,174,194	-	2,230,947	**41,212,602**
Acceptances and Undrawn balances	-	-	14,582,366	33,451,803	-	548,509	406,429	335,351	12,356,657	**61,681,115**
At 31 December 2024	-	-	17,627,343	59,206,167	-	548,509	31,569,623	2,417,851	14,587,604	**125,957,097**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Maximum Exposure to credit risk without taking into consideration collateral – Financial instruments subject to impairment

2025:

Model segment	12-month ECL		Lifetime ECL Not Credit Impaired		Lifetime ECL Credit Impaired		Total		Net carrying amount
	Gross carrying amount	ECL amount	Gross carrying amount	ECL amount	Gross carrying amount	ECL amount	Gross carrying amount	ECL amount	
	TZS' 000	TZS' 000	TZS' 000	TZS' 000	TZS' 000	TZS' 000	TZS' 000	TZS' 000	TZS' 000
Secured term loans	287,833,189	663,157	28,843,662	14,203,997	11,913,006	3,217,517	328,589,857	18,084,671	**310,505,186**
Unsecured term loans	34,246,385	1,991,053	325,539	52,633	477,151	477,151	35,049,075	2,520,837	**32,528,238**
Digital Lending	8,198,738	1,619,814	2,017,215	1,489,450	8,204,595	6,565,825	18,420,548	9,675,089	**8,745,459**
Overdraft	160,377,916	674,800	15,331,513	90,758	1,977,497	724,192	177,686,926	1,489,750	**176,197,176**
Gross carrying amount	**490,656,228**	**4,948,824**	**46,517,929**	**15,836,838**	**22,572,249**	**10,984,685**	**559,746,406**	**31,770,347**	**527,976,059**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Maximum Exposure to credit risk without taking into consideration collateral – Financial instruments subject to impairment (continued)

2024:

Model segment	**12 month ECL**		**Lifetime ECL Not Credit Impaired**		**Lifetime ECL Credit Impaired**		**Total**		
	Gross carrying amount	**ECL amount**	**Gross carrying amount**	**ECL amount**	**Gross carrying amount**	**ECL amount**	**Gross carrying amount**	**ECL amount**	**Net carrying amount**
	TZS' 000	**TZS' 000**	**TZS' 000**	**TZS' 000**	**TZS' 000**	**TZS' 000**	**TZS' 000**	**TZS' 000**	**TZS' 000**
Secured term loans	213,399,700	134,156	23,051,234	33,187	20,727,164	4,943,179	257,178,098	5,110,522	252,067,576
Unsecured term loans	6,156,012	43,222	-	-	72,737	72,737	6,228,749	115,959	6,112,790
Digital Lending	5,563,242	1,040,883	1,546,684	289,385	8,712,046	3,471,187	15,821,972	4,801,455	11,020,517
Overdraft	121,136,913	217,982	39,026,232	729,267	8,103,785	1,497,529	168,266,930	2,444,778	165,822,152
Gross carrying amount	**346,255,867**	**1,436,243**	**63,624,150**	**1,051,839**	**37,615,732**	**9,984,632**	**447,495,749**	**12,472,714**	**435,023,035**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Maximum Exposure to credit risk – Financial instruments subject to impairment (continued)

Off balance sheet exposures

Contingencies related to:	**2025** **TZS '000**	**2024** **TZS '000**	**2023** **TZS '000**
Letters of credit	49,513,916	23,063,380	17,076,505
Guarantees	52,454,783	41,212,602	46,206,334
Acceptances and undrawn balance	66,135,207	61,681,115	40,041,818
Gross carrying amount*	**168,103,906**	**125,957,097**	**103,324,657**
Loss allowance	(165,875)	(133,311)	(208,371)
Net carrying amount	**167,938,031**	**125,823,786**	**103,116,286**

*The off-balance sheet exposures above include only loan commitment and financial contracts that fall within the scope of IFRS 9. Provision for loss allowance relating to off-balance sheet exposures is presented under other liabilities.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis. This change is incorporated within maintenance stage and other adjustments category.
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements. This change is incorporated within maintenance stage and other adjustments category; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amount

The following tables show reconciliations from the opening to the closing balance of the loss allowance and gross carrying amounts by class of financial instrument. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3(f)(iii).

Total Loans and advances

	Provisions (ECL allowance)				Exposure (Gross balance)			
2025	**12-month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12-month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**1,436,243**	**1,051,839**	**9,984,632**	**12,472,714**	**346,255,867**	**63,624,150**	**37,615,732**	**447,495,749**
Transfer from 12 months ECL (Stage 1)	(29,015)	27,940	1,075	-	(25,703,058)	21,428,440	4,274,618	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	381,227	(381,227)	-	-	27,886,784	(27,886,784)	-	-
Transfer from Lifetime ECL credit impaired (Stage 3)	2,594,560	-	(2,594,560)	-	3,993,134	142,703	(4,135,837)	-
Net remeasurement of loss allowance	(1,248,209)	15,466,151	14,018,747	**28,236,689**	(35,639,423)	(10,080,841)	28,216,459	**(17,503,805)**
New financial assets originated or purchased	3,044,943	104,556	-	**3,149,499**	364,012,175	31,424,080	-	**395,436,255**
Financial assets derecognized	(1,230,925)	(432,421)	-	**(1,663,346)**	(190,149,251)	(32,133,819)	(32,973,514)	**(255,256,584)**
Write-Off	-	-	(10,425,209)	**(10,425,209)**	-	-	(10,425,209)	**(10,425,209)**
Balance at 31 December 2025	**4,948,824**	**15,836,838**	**10,984,685**	**31,770,347**	**490,656,228**	**46,517,929**	**22,572,249**	**559,746,406**

*Net remeasurement of loss allowance relates to net changes in ECL and Gross balances of facilities moved to other stages during the year relative to previous year.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

Total Loans and advances (continued)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2024	**12 month ECL (Stage 1)**	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**	**12 month ECL (Stage 1)**	**Lifetime ECL not credit impaired (Stage 2)**	**Lifetime ECL credit impaired (Stage 3)**	**Total**
	TZS '000	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**
Balance at 1 January 2024	**1,336,020**	**421,623**	**36,966,695**	**38,724,338**	**349,665,042**	**53,450,844**	**85,422,543**	**488,538,429**
Transfer from 12 months ECL (Stage 1)	(100,709)	83,925	16,784	-	(41,137,815)	35,455,542	5,682,273	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	43,056	(321,306)	278,250	-	10,388,894	(18,517,180)	8,128,286	-
Transfer from Lifetime ECL credit impaired (Stage 3)	7,109,077	557,379	(7,666,456)	-	15,595,438	1,756,984	(17,352,422)	-
Net remeasurement of loss allowance*	(6,300,883)	(326,944)	8,253,377	1,625,550	(170,197)	405,035	6,206,364	6,441,202
Retained same stage- remeasurement	(4,674)	7,421	2,393,620	2,396,367	(34,909,659)	(1,683,175)	(2,593,899)	(39,186,733)
New financial assets originated or purchased	312,473	731,003	28	1,043,504	239,254,673	24,476,303	(2,743)	263,728,233
Financial assets derecognized	(187,837)	(101,262)	(861,600)	(1,150,699)	(191,660,223)	(31,720,203)	(5,292,587)	(228,673,013)
Pre-write off recoveries	-	-	(2,461,237)	(2,461,237)	-	-	(2,461,237)	(2,461,237)
Write-Off	(770,280)	-	(26,934,829)	(27,705,109)	(770,286)	-	(40,120,846)	(40,891,132)
Balance at 31 December 2024	**1,436,243**	**1,051,839**	**9,984,632**	**12,472,714**	**346,255,867**	**63,624,150**	**37,615,732**	**447,495,749**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)
Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(i) Secured term loans

	Provisions (ECL allowance)				Exposure (Gross balance)			
2025	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**134,156**	**33,187**	**4,943,179**	**5,110,522**	**213,399,700**	**23,051,234**	**20,727,164**	**257,178,098**
Transfer from 12 months ECL (Stage 1)	(25,208)	25,007	201	**-**	(20,987,465)	16,861,477	4,125,988	**-**
Transfer from Lifetime ECL not credit impaired (Stage 2)	1,749	(1,749)	-	-	5,519,468	(5,519,468)	-	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	2,594,560	-	(2,594,560)	**-**	3,993,134	142,703	(4,135,837)	**-**
Net remeasurement of loss allowance	(3,299,606)	14,454,577	(10,456,450)	**698,521**	15,174,953	(7,510,012)	8,642,275	**16,307,216**
New financial assets originated or purchased	2,375,281	(224,393)	-	**2,150,888**	204,255,407	16,092,567	-	**220,347,974**
Financial assets derecognized	(1,117,775)	(82,632)	2,603	**(1,197,804)**	(133,522,008)	(14,274,839)	(31,863,766)	**(179,660,613)**
Reversal of provisions/Write-offs	-	-	11,322,544	**11,322,544**	-	-	14,417,182	**14,417,182**
Balance at 31 December 2025	**663,157**	**14,203,997**	**3,217,517**	**18,084,671**	**287,833,189**	**28,843,662**	**11,913,006**	**328,589,857**

*These loans are further segmented into the relevant sectors such as Manufacturing (25%), Trade (16%), Agriculture (11%), Building and Construction 10%, Transportation and Communication (9%), Real Estate (8%), Hotel and Restaurants 8% and others 13%.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)
Loss allowance (continued)
Changes in loss allowance and gross carrying amounts (continued)

(i) Secured term loans (continued)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2024	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2024	**845,731**	**78,644**	**33,107,381**	**34,031,756**	**200,325,149**	**19,377,787**	73,375,410	293,078,346
Transfer from 12 months ECL (Stage 1)	(8,314)	277	8,037	-	(18,907,181)	15,442,500	3,464,681	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	(78,635)	78,635	-	6,270,379	(10,555,223)	4,284,844	-
Transfer from Lifetime ECL credit impaired (Stage 3)	7,109,077	557,379	(7,666,456)	-	15,595,438	1,756,984	(17,352,422)	-
Net remeasurement of loss allowance	(7,077,525)	(533,704)	1,864,746	(5,746,483)	(3,285,655)	(240,319)	(1,906,530)	(5,432,504)
Retained same stage- remeasurement	1,241	7,499	2,416,693	2,425,433	(35,252,330)	(2,435,087)	(2,597,128)	(40,284,545)
New financial assets originated or purchased	55,420	1,719	-	57,139	114,491,439	1,324,758	-	115,816,197
Financial assets derecognized	(21,194)	8	(302,069)	(323,255)	(65,067,259)	(1,620,166)	(791,887)	(67,479,312)
Pre-write off recoveries	-	-	(2,461,237)	(2,461,237)	-	-	(2,461,237)	(2,461,237)
Write-offs	(770,280)	-	(22,102,551)	(22,872,831)	(770,280)	-	(35,288,567)	(36,058,847)
Balance at 31 December 2024	**134,156**	**33,187**	**4,943,179**	**5,110,522**	**213,399,700**	**23,051,234**	**20,727,164**	**257,178,098**

*These loans are further segmented into the relevant sectors such as Manufacturing (22%), Real Estate (20%) ,Trade (13%), Building and Construction 10%, Transportation and Communication (9%), Agriculture (7%), Hotel and Restaurants 6% and others 13%.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(ii)Unsecured term loans

	Provisions (ECL allowance)				Exposure (Gross balance)			
2025	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**43,222**	**-**	**72,737**	**115,959**	**6,156,012**	**-**	**72,737**	**6,228,749**
Transfer from 12 months ECL (Stage 1)	(1,840)	964	876	**-**	(289,394)	140,764	148,630	**-**
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	-	-	-	-	-	-	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	**-**	-	-	-	**-**
Net remeasurement of loss allowance	1,969,114	51,669	461,299	**2,482,082**	28,379,767	184,775	325,122	**28,889,664**
New financial assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Financial assets derecognized	(19,443)	-	(2,604)	**(22,047)**	-	-	(14,181)	**(14,181)**
Reversal of provisions/Write-offs	-	-	(55,157)	**(55,157)**	-	-	(55,157)	**(55,157)**
Balance at 31 December 2025	**1,991,053**	**52,633**	**477,151**	**2,520,837**	**34,246,385**	**325,539**	**477,151**	**35,049,075**

*Unsecured term loans include Staff Loans and Personal Loans categorized under Personal sector.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(ii) Unsecured term loans (continued)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2024	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2024	**24,990**	**41,601**	**82,514**	**149,105**	**2,058,574**	**143,701**	**82,514**	**2,284,789**
Transfer from 12 months ECL (Stage 1)	(375)	-	375	-	(65,788)	-	65,788	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	41,601	(41,601)	-	-	143,701	(143,701)	-	-
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(41,045)	-	21,572	(19,473)	(18,573)	-	(43,841)	(62,414)
Retained stage remeasurement	(5,914)	-	6,904	990	(212,138)	-	6,904	(205,234)
New financial assets originated or purchased	39,070	-	29	39,099	5,478,065	-	29	5,478,094
Financial assets derecognized	(15,105)	-	-	(15,105)	(1,227,829)	-	-	(1,227,829)
Write-offs	-	-	(38,657)	(38,657)	-	-	(38,657)	(38,657)
Balance at 31 December 2024	**43,222**	**-**	**72,737**	**115,959**	**6,156,012**	**-**	**72,737**	**6,228,749**

*Unsecured term loans include Staff Loans and Personal Loans categorized under Personal sector.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(iii) Digital Lending (Kamilisha)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2025	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**1,040,883**	**289,385**	**3,471,187**	**4,801,455**	**5,563,242**	**1,546,684**	**8,712,046**	**15,821,972**
Transfer from 12 months ECL (Stage 1)	-	-	-	**-**	-	-	-	**-**
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	-	-	-	-	-	-	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	**-**	-	-	-	**-**
Net remeasurement of loss allowance	578,931	1,200,065	24,787,234	**26,566,230**	2,635,496	1,670,596	24,279,783	**28,585,875**
New financial assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Financial assets derecognized	-	-	-	**-**	-	-	-	**-**
Reversal of provisions/Write-offs	-	-	(21,692,596)	**(21,692,596)**	-	(1,200,065)	(24,787,234)	**(25,987,299)**
Balance at 31 December 2025	**1,619,814**	**1,489,450**	**6,565,825**	**9,675,089**	**8,198,738**	**2,017,215**	**8,204,595**	**18,420,548**

*Digital loans include short-term overdrafts issued to mobile network operator customers, categorized under the Personal sector.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(iii) Digital Lending (Kamilisha) (continued)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2024	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2024	**223,196**	**82,623**	**2,920,127**	**3,225,946**	**2,434,815**	**901,329**	**5,784,513**	**9,120,657**
Transfer from 12 months ECL (Stage 1)	-	-	-	-	-	-	-	**-**
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	-	-	-	-	-	-	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	-	-	-	-	**-**
Net remeasurement of loss allowance	817,687	206,762	5,344,682	6,369,131	3,128,427	645,355	7,721,155	**11,494,937**
New financial assets originated or purchased	-	-	-	-	-	-	-	**-**
Financial assets derecognized	-	-	-	-	-	-	-	**-**
Write-offs	-	-	(4,793,622)	(4,793,622)	-	-	(4,793,622)	**(4,793,622)**
Balance at 31 December 2024	**1,040,883**	**289,385**	**3,471,187**	**4,801,455**	**5,563,242**	**1,546,684**	**8,712,046**	**15,821,972**

*Digital loans include short-term overdrafts issued to mobile network operator customers, categorized under the Personal sector.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(iv) Overdrafts

	Provisions (ECL allowance)				Exposure (Gross balance)			
2025	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**217,982**	**729,267**	**1,497,529**	**2,444,778**	**121,136,913**	**39,026,232**	**8,103,785**	**168,266,930**
Transfer from 12 months ECL (Stage 1)	(1,968)	1,968	-	**-**	(4,426,199)	4,426,199	-	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	379,478	(379,478)	-	**-**	22,367,316	(22,367,316)	-	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	**-**	-	-	-	**-**
Net remeasurement of loss allowance	(496,648)	(1,968)	(773,337)	**(1,271,953)**	(81,829,639)	(4,426,200)	(6,126,288)	**(92,382,127)**
New financial assets originated or purchased	669,662	90,758	-	**760,420**	159,756,768	15,331,513	-	**-** **175,088,281**
Financial assets derecognized	(93,706)	(349,789)	-	**(443,495)**	(56,627,243)	(16,658,915)	-	**(73,286,158)**
Write-offs	-	-	-	**-**	-	-	-	**-**
Balance at 31 December 2025	**674,800**	**90,758**	**724,192**	**1,489,750**	**160,377,916**	**15,331,513**	**1,977,497**	**177,686,926**

*Overdrafts is further segmented into Trade (47%), Manufacturing (31%), Transport and Communication (7%), Real estate (4%) and other sectors (11%).

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Loss allowance (continued)

Changes in loss allowance and gross carrying amounts (continued)

(iv) Overdrafts (continued)

	Provisions (ECL allowance)				Exposure (Gross balance)			
2024	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Lifetime ECL credit impaired (Stage 3) TZS '000**	**Total TZS '000**
Balance at 1 January 2024	**242,103**	**218,755**	**856,673**	**1,317,531**	**144,846,504**	**33,028,027**	**6,180,106**	**184,054,637**
Transfer from 12 months ECL (Stage 1)	(92,019)	83,647	8,372	-	(22,164,845)	20,013,043	2,151,802	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	1,455	(201,070)	199,615	-	3,974,815	(7,818,257)	3,843,442	**-**
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	-	**-**	-	-	-	**-**
Net remeasurement of loss allowance	-	-	1,000,768	1,000,768	5,604	-	435,581	**441,185**
Retained stage remeasurement	-	(78)	(8,455)	(8,533)	557,579	751,911	(6,447)	**1,303,043**
New financial assets originated or purchased	217,983	729,267	-	947,250	119,282,397	23,151,545	-	**142,433,942**
Financial assets derecognized	(151,540)	(101,254)	(559,444)	(812,238)	(125,365,135)	(30,100,037)	(4,500,699)	**(159,965,871)**
Write-offs	-	-	-	-	(6)	-	-	**(6)**
Balance at 31 December 2024	**217,982**	**729,267**	**1,497,529**	**2,444,778**	**121,136,913**	**39,026,232**	**8,103,785**	**168,266,930**

*Overdrafts is further segmented into Trade (43%), Manufacturing (32%), Agriculture (7%), Real estate (5%) and other sectors (13%).

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(a) Credit risk (continued)

Loss allowance (continued)

(v) Loan commitments and financial guarantee contracts

	Provisions (ECL allowance)			Exposure (Gross balance)		
2025:	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Total TZS '000**	**12 month ECL (Stage 1) TZS '000**	**Lifetime ECL not credit impaired (Stage 2) TZS '000**	**Total TZS '000**
Balance at 1 January 2025	**133,312**	**-**	**133,312**	**125,965,677**	**-**	**125,965,677**
Transfer from 12 months ECL (Stage 1)	-	-	**-**	-	-	**-**
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	-	**-**	-	-	**-**
Net remeasurement of loss allowance	(147,045)	-	(147,045)	(55,000,061)	-	**(55,000,061)**
New financial assets originated or purchased	179,608	-	179,608	97,138,290	-	**97,138,290**
Balance at 31 December 2025	**165,875**	**-**	**165,875**	**168,103,906**	**-**	**168,103,906**

*Off balance sheet exposure is segmented into the relevant sectors such as Trade (47%), Building and Construction (25%), Manufacturing (14%), Personal and Technology (12%) and other sectors (2%).

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Financial risk (continued)

(a) Credit risk (continued)
Loss allowance (continued)

(v) Loan commitments and financial guarantee contracts (Continued)

	Provisions (ECL allowance)			Exposure (Gross balance)		
2024:00:00	12 month ECL (Stage 1) TZS '000	Lifetime ECL not credit impaired (Stage 2) TZS '000	Total TZS '000	12 month ECL (Stage 1) TZS '000	Lifetime ECL not credit impaired (Stage 2) TZS '000	Total TZS '000
Balance at 1 January 2024	**22,625**	**185,746**	**208,371**	**102,304,019**	**1,020,638**	**103,324,657**
Transfer from 12 months ECL (Stage 1)	-	-	-	-	-	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	-	-	-	-	-
Net remeasurement of loss allowance	110,686	-185,746	**-75,060**	23,661,658	-1,020,638	**22,641,020**
New financial assets originated or purchased	-	-	-	-	-	-
Financial assets derecognised	-	-	-	-	-	-
Balance at 31 December 2024	**133,311**	**-**	**133,311**	**125,965,677**	**-**	**125,965,677**

* Off balance sheet exposure is segmented into the relevant sectors such as Trade (39%), Building and Construction (38%) , Personal and Technology (12%) ,Manufacturing (10%), and other sectors (1%).

	2025 TZS '000	2024 TZS '000
Secured term loans	2,849,409	14,449,114
Unsecured term loans	2,482,082	5,511
Digital Lending	26,566,230	6,369,131
Overdraft facilities	(511,533)	1,127,247
Total on-balance sheet charge	31,386,188	21,951,003
Off balance sheet exposures	32,563	-75,060
As at 31 December	**31,418,751**	**21,875,943**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(b) Liquidity risk

Liquidity risk includes the risk of being unable to meet financial obligations as they fall due because of inability to liquidate assets at a reasonable price and in an appropriate timeframe.

The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall strategy. In addition, the Bank holds a portfolio of liquid assets as part of its liquidity risk management strategy.

The Bank's liquidity management process, as carried out within the Bank and monitored by the treasury team, includes:

- Maintaining documented liquidity risk/crisis management plans which among other things defines situations which could precipitate liquidity crisis. Examples of such situations are: unusual activities at the branches, default by one or more large borrowers, devaluation of currency in which the Bank has large exposure, large litigation claim on the Bank etc;

- Maintaining adequate liquidity at all times and for all currencies, and hence to be in a position, in the normal course of business to meet all our obligations, to repay depositors, to fulfill commitments to lend and to meet any other commitment made. This takes the form of maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cashflow.

- Managing the concentration and profile of debt maturities

- The Bank also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers and short-term funding. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market. 'Deposits from customers and short-term funding' includes deposits from banks, customers, debt securities issued, other borrowings and commitments maturing within the next month. The Bank is required to maintain a regulatory liquid asset ratio of not less than 20%, based on management's assessment and its submission to the regulator the bank was compliant.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(b) Liquidity risk (continued)

(i) Non-derivative cash flows

31-Dec-25	Within 1 month TZS '000	Due within 1-3 months TZS '000	Due between 3-12 months TZS '000	Due between 1-5 years TZS '000	Due after 5 years TZS '000	Total TZS '000
LIABILITIES						
Deposits from banks	65,542,249	-	-	-	-	**65,542,249**
Deposits from customers	263,787,849	8,562,544	282,312,324	67,990,920	5,867,013	**628,520,650**
Due to group companies	25,677,533	32,357,345	25,675,582	-	-	**83,710,460**
Other liabilities	11,149,098	-	-	-	-	**11,149,098**
Long term debt	-	443,492	2,220,074	13,833,989	1,553,125	**18,050,680**
Lease liabilities	393,090	1,048,739	1,209,644	7,238,045	3,475,972	**13,365,490**
At 31 December 2025	**366,549,819**	**42,412,120**	**311,417,624**	**89,062,954**	**10,896,110**	**820,338,627**
Assets held for managing liquidity	**155,692,740**	**159,145,709**	**137,270,733**	**227,451,997**	**161,646,115**	**841,207,294**

31-Dec-24	Within 1 month TZS '000	Due within 1-3 months TZS '000	Due between 3-12 months TZS '000	Due between 1-5 years TZS '000	Due after 5 years TZS '000	Total TZS '000
LIABILITIES						
Deposits from banks	57,570,247	-	-	-	-	**57,570,247**
Deposits from customers	191,930,945	41,333,175	204,465,897	117,242,881	5,932,823	**560,905,721**
Due to group companies	3,647,910	7,396,595	40,586,823	-	-	**51,631,328**
Other liabilities	11,473,947	-	-	-	-	**11,473,947**
Long term debt	-	60,842	182,908	3,703,051	-	**3,946,801**
Lease liabilities	224,721	-	319,875	1,240,471	8,228,707	**10,013,774**
At 31 December 2024	**264,847,770**	**48,790,612**	**245,555,503**	**122,186,403**	**14,161,530**	**695,541,818**
Assets held for managing liquidity	**236,853,221**	**122,487,099**	**138,719,501**	**174,423,951**	**200,687,953**	**873,171,725**

The table below analyses financial liabilities and assets into relevant maturity groupings based on the remaining period as of 31 December 2025 and 2024 to the contractual undiscounted maturity date:

(ii) Assets held for managing liquidity risk

The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with the Bank of Tanzania;
- Investment in government securities;
- Loans and advances to customers; and
- Placements and balances with other banks

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(b) Liquidity risk (continued)

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

(iii) Off-balance sheet items

(a) Undrawn commitments, outstanding letters of credit, guarantee and indemnities

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 31) are summarised in the table below.

(b) Financial guarantees and other financial facilities

Financial guarantees (Note 31) are also included below based on the earliest contractual maturity date.

	No later than 1 year	1-5 years	Total
As at 31 December 2025	**TZS '000**	**TZS '000**	**TZS '000**
Letters of credit	49,513,916	-	49,513,916
Guarantees	52,454,783	-	52,454,783
Acceptances and undrawn balance	66,135,207	-	66,135,207
	168,103,906	**-**	**168,103,906**
	No later than 1 year	**1-5 years**	**Total**
As at 31 December 2024	**TZS '000**	**TZS '000**	**TZS '000**
Letters of credit	23,063,380	-	23,063,380
Guarantees	41,212,602	-	41,212,602
Acceptances and undrawn balance	61,681,115	-	61,681,115
	125,957,097	**-**	**125,957,097**
As at 31 December 2023	**TZS '000**	**TZS '000**	**TZS '000**
Letters of credit	17,076,505	-	17,076,505
Guarantees	19,747,918	26,458,416	46,206,334
Acceptances and undrawn balance	39,706,653	335,165	40,041,818
	76,531,076	**26,793,581**	**103,324,657**

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spread (not relating to changes in the obligator's/issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments.

The Bank is primarily exposed to interest rate, foreign exchange risk and price risk. All trading instruments are subject to market risk, the risk that the future changes in market conditions may make an instrument less valuable or more onerous. The Bank manages its use of trading instruments in response to changing market conditions.

The Board of Directors has delegated responsibility for management of market risk to the Board Risk Committee. Exposure to market risk is formally managed within risk limits and policy guidelines issued by the Board, on recommendation of the Board Risk Committee. ALCO, a management committee is charged with the responsibility of ensuring implementation and monitoring of the risk management framework in line with policy guidelines. The policy guidelines and procedures in place are adequate to effectively manage these risks.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Exposure to interest rate risk

This is the risk of loss from fluctuations in the future cash flows of fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the Bank's interest rate gap position reflecting assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates is shown below:

31 December 2025	Within 1 month TZS '000	Due within 1-3 months TZS '000	Due between 3-12 months TZS '000	Due between 1-5 years TZS '000	Due after 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
ASSETS							
Cash and balances with Bank of Tanzania	-	-	-	-	-	101,058,884	**101,058,884**
Loans and advances to banks	45,480,237	59,102,230	-	290,058	-	-	**104,872,525**
Loans and advances to customers	50,397,397	89,667,622	123,566,673	186,340,402	78,003,965	-	**527,976,059**
Government securities at amortised cost	-	10,375,857	13,704,060	40,821,537	83,642,150	-	**148,543,604**
Due from group companies	5,591,756	-	-	-	-	4,236,459	**9,828,215**
Other assets	-	-	-	-	-	18,597,038	**18,597,038**
31 December 2025	**101,469,390**	**159,145,709**	**137,270,733**	**227,451,997**	**161,646,115**	**123,892,381**	**910,876,325**
LIABILITIES							
Deposits from banks	64,844,761	-	-	-	-	-	**64,844,761**
Deposits from customers	21,425,684	8,465,194	274,422,672	59,745,975	4,769,929	241,354,841	**610,184,295**
Due to group companies	15,093,124	32,100,541	25,172,139	-	-	10,549,201	**82,915,005**
Other liabilities	-	-	-	-	-	11,149,098	**11,149,098**
Lease liability	1,891,565	354,348	944,239	4,765,347	1,604,951	-	**9,560,450**
Long term debt	-	175,074	1,708,622	12,734,359	1,553,125	-	**16,171,180**
31 December 2025	**103,255,134**	**41,095,157**	**302,247,672**	**77,245,681**	**7,928,005**	**263,053,140**	**794,824,789**
Interest rate gap	**(1,785,744)**	**118,050,552**	**(164,976,939)**	**150,206,316**	**153,718,110**	**(139,160,759)**	**116,051,536**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Exposure to interest rate risk (continued)

31 December 2024	Within 1 month TZS '000	Due within 1-3 months TZS '000	Due between 3-12 months TZS '000	Due between 1-5 years TZS '000	Due after 5 years TZS '000	Non-interest bearing TZS '000	Total TZS '000
ASSETS							
Cash and balances with Bank of Tanzania	-	-	-	-	-	86,527,215	**86,527,215**
Loans and advances to banks	60,772,621	-	-	265,534	-	-	**61,038,155**
Loans and advances to customers	124,654,349	40,224,001	99,388,295	128,499,082	42,257,308	-	**435,023,035**
Government securities measured at FVTPL	-	-	-	1,688,839	-	-	**1,688,839**
Government securities at amortised cost	27,068,707	18,597,102	34,308,542	2,927,193	82,774,478	-	**165,676,022**
Due from group companies	7,730,343	-	-	-	-	-	**7,730,343**
Other assets	-	-	-	-	-	10,104,727	**10,104,727**
31 December 2024	**220,226,020**	**58,821,103**	**133,696,837**	**133,380,648**	**125,031,786**	**96,631,942**	**767,788,336**
LIABILITIES							
Deposits from banks	57,529,859	-	-	-	-	-	**57,529,859**
Deposits from customers	61,121,381	40,893,711	199,192,654	113,613,712	3,291,500	130,808,902	**548,921,860**
Due to group companies	3,647,910	7,350,000	39,864,664	-	-	-	**50,862,574**
Other liabilities	-	-	-	-	-	11,473,947	**11,473,947**
Long term debt	-	26,176	-	3,250,000	-	-	**3,276,176**
Lease liability	96,425	-	298,439	1,079,698	5,578,103	-	**7,052,665**
31 December 2024	**122,395,575**	**48,269,887**	**239,355,757**	**117,943,410**	**8,869,603**	**142,282,849**	**679,117,081**
Interest rate gap	**97,830,445**	**10,551,216**	**(105,658,920)**	**15,437,238**	**116,162,183**	**(45,650,907)**	**88,671,255**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Exposure to interest rate risk (continued)

Sensitivity Analysis

31 December 2025	**Profit or loss**	**Equity net of tax**
100 basis points	**Increase/ decrease in basis points ('000)**	**Increase/ decrease in basis points ('000)**
Assets	9,108,763	6,376,134
Liabilities	(7,948,248)	(5,563,774)
Net position	**1,160,515**	**812,360**

An increase of 100 basis points in interest rates at the reporting date would have increased profit by TZS 1,161 million and equity (net of tax) by TZS 812 million and the inverse is the case for decrease in interest rates of 100 basis points. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

31 December 2024	**Profit or loss**	**Equity net of tax**
100 basis points	**Increase/ decrease in basis points ('000)**	**Increase/ decrease in basis points ('000)**
Assets	7,677,883	5,374,518
Liabilities	(6,791,171)	(4,753,820)
Net position	**886,712**	**620,698**

An increase of 100 basis points in interest rates at the reporting date would have increased profit by TZS 887 million and equity (net of tax) by TZS 621 million and the inverse is the case for decrease in interest rates of 100 basis points. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

31 December 2023	**Profit or loss**	**Equity net of tax**
100 basis points	**Increase/decrease in basis points ('000)**	**Increase/decrease in basis points ('000)**
Assets	6,496,081	4,547,257
Liabilities	(4,846,626)	(3,392,638)
Net position	**1,649,455**	**1,154,619**

An increase of 100 basis points in interest rates at the reporting date would have increased profit by TZS 1,649 million and equity (net of tax) by TZS 1,154 million and the inverse is the case for decrease in interest rates of 100 basis points. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(c) Market risk (continued)

Currency risk

The Bank is exposed to currency risk through transactions in foreign currencies. The Bank's transactional exposure gives rise to foreign currency gains and losses that are recognised in the profit or loss. In respect of monetary assets and liabilities in foreign currencies, the Bank ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate. The table below analyses the foreign currencies which the Bank is exposed to as at 31 December 2025 and 31 December 2024.

31 December 2025	USD TZS '000	GBP TZS '000	EUR TZS '000	Other TZS '000	Total TZS '000
ASSETS					
Cash and balances with Bank of Tanzania	34,276,681	50,745	420,743	1,026,994	35,775,163
Items in the course of collection	22,198	-	-	-	22,198
Loans and advances to banks	62,469,193	1,733,308	1,446,117	923,856	66,572,474
Loans and advances to customers	324,162,493	-	-	-	324,162,493
Other assets	596,456	-	-	12,319	608,775
31 December 2025	**421,527,021**	**1,784,053**	**1,866,860**	**1,963,169**	**427,141,103**
LIABILITIES					
Deposits from banks	41,773,481	-	-	-	41,773,481
Deposits from customers	350,846,622	1,619,875	1,667,827	-	354,134,324
Other liabilities	56,599,933	210,711	162,243	336,095	57,308,982
Due to group companies	12,792,988	-	-	-	12,792,988
31 December 2025	**462,013,024**	**1,830,586**	**1,830,070**	**336,095**	**466,009,775**
Net on statement of financial position	**(40,486,003)**	**(46,533)**	**36,790**	**1,627,074**	**(38,868,672)**
Net notional off balance sheet position	**90,286,384**	**-**	**3,008,318**	**-**	**93,294,702**
Overall net position – 2025	**49,800,381**	**(46,533)**	**3,045,108**	**1,627,074**	**54,426,030**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(c) Market risk (continued)

Currency rate risk (continued)

At 31 December 2024	USD TZS '000	GBP TZS '000	EUR TZS '000	Other TZS '000	Total TZS '000
ASSETS					
Cash and balances with Bank of Tanzania	45,998,471	136,054	255,300	344,745	**46,734,570**
Loans and advances to banks	57,487,801	1,210,456	1,405,821	345,136	**60,449,214**
Loans and advances to customers	240,320,517	-	-	-	**240,320,517**
Due from group companies	6,412,129	388,142	345,037	425,036	**7,570,344**
Other assets	571,922	-	-	-	**571,922**
At 31 December 2024	**350,790,840**	**1,734,652**	**2,006,158**	**1,114,917**	**355,646,567**
LIABILITIES					
Deposits from banks	-	-	-	-	**-**
Items in the course of collection	-	-	-	-	**-**
Deposits from customers	283,965,228	1,583,162	1,832,814	171,996	**287,553,200**
Other liabilities	6,095,377	237,057	178,853	572,296	**7,083,583**
Due to group companies	50,110,644	-	-	104,571	**50,215,215**
At 31 December 2024	**340,171,249**	**1,820,219**	**2,011,667**	**848,863**	**344,851,998**
Net on statement of financial position	**10,619,591**	**(85,567)**	**(5,509)**	**266,054**	**10,794,569**
Net notional off balance sheet position	**36,223,484**	**-**	**3,161,950**	**-**	**39,385,434**
Overall net position – 2024	**46,843,075**	**(85,567)**	**3,156,441**	**266,054**	**50,180,003**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

(c) Market risk (continued)

Currency rate risk (continued)

Sensitivity Analysis

At 31 December 2025	**Profit or loss Strengthening/ weakening of currency TZS '000**	**Equity net of tax Strengthening/ weakening of currency TZS '000**
USD (± 1% movement)	37,524	26,267
GBP (± 1% movement)	(466)	(326)
EUR (± 1% movement)	368	257
Other (± 1% movement)	3,129	2,190
Net Position	**40,555**	**28,388**

A depreciation of TZS by 100 basis points in the currency rates at the reporting date would have increased profit by TZS 41 million and equity (net of tax) by TZS 28 million and an inversely would have been the case for an appreciation of TZS. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

At 31 December 2024	**Profit or loss Strengthening/ weakening of currency TZS '000**	**Equity net of tax Strengthening/ weakening of currency TZS '000**
USD (± 1% movement)	106,196	74,337
GBP (± 1% movement)	(856)	(599)
EUR (± 1% movement)	(55)	(39)
Other (± 1% movement)	2,661	1,862
Net Position	**107,946**	**75,561**

A depreciation of TZS by 100 basis points in the currency rates at the reporting date would have decreased profit by TZS 108 million and equity (net of tax) by TZS 76 million and an inversely would have been the case for an appreciation of TZS. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

At 31 December 2023	**Profit or loss Strengthening/weakening of currency TZS '000**	**Equity net of tax Strengthening/weakening of currency TZS '000**
USD (± 1% movement)	(158,156)	(110,709)
GBP (± 1% movement)	(127)	(89)
EUR (± 1% movement)	(1,308)	(916)
Other (± 1% movement)	3,390	2,373
Net Position	**(156,201)**	**(109,341)**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

A depreciation of TZS by 100 basis points in the currency rates at the reporting date would have decreased profit by TZS 156 million and equity (net of tax) by TZS 109 million and an inversely would have been the case for an appreciation of TZS. The analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

Price risk

The Bank are exposed to equity securities price risk because of investment in Tanzania Mortgage Refinance Company (TMRC) shares and investments in government securities that are measured at fair value through other comprehensive income (FVOCI). The Bank diversifies its portfolio in order to manage price risk arising from investments in equity and debt securities.

In determining the fair value of unquoted equity investment in TMRC, the Bank used a price of recent transaction of the shares of the Company. If the price of the shares would have increased/decreased by 10% the fair value of the investments would have been increased/decreased by TZS 27 million (2024: TZS 27 million).

(d) Capital management

The Bank of Tanzania sets and monitors capital requirements for the Tanzania banking industry. The Bank of Tanzania has set among other measures, the rules and ratios to monitor adequacy of a bank's capital. In implementing current capital requirements, The Bank of Tanzania requires Banks to maintain a prescribed ratio of total capital to total risk-weighted assets. The Bank's regulatory is analysed in two tiers:

- Tier 1 capital: This includes ordinary share capital, share premium, retained earnings, after deductions for prepaid expenses, goodwill, other intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital: This includes qualifying subordinated liabilities, collective impairment allowances and the element of fair value reserve relating to unrealized gains on equity instruments classified as FVOCI.

Various limits are applied to elements of the capital base such as qualifying Tier 2 capital cannot exceed Tier 1 capital and qualifying subordinated debt may not exceed 50 percent of Tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of Tier 2 capital. Tier 1 capital is also subjected to various limits such as Tier 1 capital should not be less than 10 percent of the risk weighted assets. In addition to the above requirements, the Bank of Tanzania require banks to maintain a capital conservation buffer of 2.5% over and above the regulatory capital ratios to enable the Bank to withstand stressful economic conditions. In situations where the buffer is less than 2.5%, the Bank is restricted from distributing any dividends to shareholders as well as paying bonus to senior management and other staff members. Further the Bank is required to submit a capital restoration plan to the Bank of Tanzania (BoT) within a specified period of time as determined by BoT. In the event the capital restoration plan is not approved by BoT, the Bank may be directed to raise additional capital in order to restore the capital conservation buffer.

The Bank's regulatory capital position is as illustrated below:

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management (continued)

		2025 TZS '000	2024 TZS '000	2023 TZS '000
Core capital (Tier 1)				
Share capital		37,754,015	23,954,016	23,954,016
Share premium		31,528,228	31,528,228	31,528,228
Retained earnings		84,062,925	56,143,597	27,152,132
		153,345,168	**111,625,841**	**82,634,376**
Less: Prepaid expenses		(2,746,931)	(2,087,088)	(1,809,906)
Deferred tax asset		(13,615,849)	(12,562,103)	(12,332,516)
Total Core capital		**136,982,388**	**96,976,650**	**68,491,954**
Supplementary capital (Tier 2)				
Statutory reserve		-	7,857,958	21,685,733
Fair value reserve		-	270,004	285,748
		-	**8,127,962**	**21,971,481**
Total capital		**136,982,388**	**105,104,612**	**90,463,435**
Risk weighted assets				
On balance sheet		634,089,125	436,808,624	419,307,628
Off balance sheet		48,294,028	65,484,087	36,534,619
Capital charge on operational risk		23,362,813	37,271,417	38,082,325
Capital charge for market risk		1,997,197	697,710	1,505,646
Total risk weighted assets		**707,743,163**	**540,261,838**	**495,430,218**
Capital ratios	Minimum*	**Ratio**	**Ratio**	**Ratio**
Core capital /Total risk weighted assets	**10%**	**19.35%**	**17.95%**	**13.82%**
Total capital /Total risk weighted assets	**12%**	**19.35%**	**19.45%**	**18.26%**

* The minimum as defined by Bank of Tanzania on top of which the Bank should have a buffer of 2.5% for both core and total capital.

As at 31 December 2025, the Bank had a capital conservation buffer of 9.35% and 7.35% for Tier 1 and Tier 2 Capital respectively.

(e) Compliance and regulatory risk

Compliance and regulatory risk include the risk of bearing the consequences of non-compliance with regulatory requirements. The compliance function is responsible for establishing and maintaining an appropriate framework of Bank compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

5. USE OF ESTIMATES AND JUDGEMENT

Key sources of estimation uncertainty

(a) Allowance for credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3(f) (iii) which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(b) Income taxes

Significant estimates are required in determining the liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax balances and deferred tax liability in the period in which such determination is made.

(c) Property and equipment

Property and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account which involves extensive subjective judgment. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The rates used are set out under accounting policy Note 3(i).

(d) Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the leases of office space, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is typically reasonably certain to extend (or not terminate).

5. USE OF ESTIMATES AND JUDGEMENT (CONTINUED)

Key sources of estimation uncertainty (continued)

(d) Lease (continued)

- Otherwise, the Bank considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices have not been included in the lease liability, because the Bank could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Bank.

To determine the incremental borrowing rate, the bank where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

(e) Financial Instruments - Classification

Critical accounting judgements made in applying to the Bank's accounting policies include the classification and measurement of financial assets and liabilities. This requires judgement in assessing the Bank's Business Model for managing financial assets—specifically whether assets are held to collect contractual cash flows, held to collect and sell, or held for trading—and in evaluating whether the contractual terms meet the *SPPI* (solely payments of principal and interest) criterion.

In assessing whether the contractual cashflows are SPPI, the bank considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing and amount of contractual cashflows such that it would not meet the condition. The bank has concluded that the relevant portfolios held at amortised cost are managed under a Business Model to hold assets to collect contractual cash flows and that the instruments satisfy the SPPI requirements. Refer to note 3(f)(ii).

(f) Fair valuation of financial instruments

The fair value of financial instruments traded in active markets is determined using quoted market prices or dealer price quotyations at the reporting date, without any deduction for transaction costs. For financial instruments not traded in an active market, fair values are determined using appropriate valuation techniques that make use of observable market inputs where available.

6. FAIR VALUE HEIRARCHY FOR FINANCIAL INSTRUMENTS

(a) Accounting classifications at carrying amounts and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost (not measured at fair value) except government securities measured at amortised cost since the carrying amount is a reasonable approximation of fair value as their related interest rates approximate the industry rates and/or they re-price in the short term.

	Carrying amounts					Fair value			
31 December 2025	**Financial assets at amortised cost TZS '000**	**Financial assets at FVOCI TZS '000**	**Financial assets at FVTPL TZS '000**	**Financial liabilities at amortised cost TZS '000**	**Total TZS '000**	**Level 1 TZS '000**	**Level 2 TZS '000**	**Level 3 TZS '000**	**Total TZS '000**
Financial assets									
Cash and balances with Bank of Tanzania*	101,058,884	-	-	-	**101,058,884**	-	101,058,884	-	**101,058,884**
Government securities at amortised cost	148,543,604	-	-	-	**148,543,604**	-	156,508,357	-	**156,508,357**
Equity investment at FVOCI	-	1,013,750	-	-	**1,013,750**	-	-	1,013,750	**1,013,750**
Loans and advances to banks*	104,872,525	-	-	-	**104,872,525**	-	104,872,525	-	**104,872,525**
Loans and advances to customers	527,976,059	-	-	-	**527,976,059**	-	527,326,221	-	**527,326,221**
Due from group companies*	9,828,215	-	-	-	**9,828,215**	-	9,828,215	-	**9,828,215**
Other assets*	18,597,038	-	-	-	**18,597,038**	-	18,597,038	-	**18,597,038**
31 December 2025	**910,876,325**	**1,013,750**	-	-	**911,890,075**	**-**	**918,191,240**	**1,013,750**	**919,204,990**
Financial liabilities									
Deposits from banks*	-	-	-	64,844,761	**64,844,761**	-	64,844,761	-	**64,844,761**
Deposits from customers	-	-	-	610,184,295	**610,184,295**	-	615,245,367	-	**615,245,367**
Due to group companies*	-	-	-	82,915,005	**82,915,005**	-	82,915,005	-	**82,915,005**
Long term borrowings	-	-	-	16,171,180	**16,171,180**	-	13,288,602	-	**13,288,602**
Other liabilities*	-	-	-	11,149,098	**11,149,098**	-	11,149,098	-	**11,149,098**
31 December 2025	**-**	**-**	**-**	**785,264,339**	**785,264,339**	-	**787,442,833**	-	**787,442,833**

6. FAIR VALUE HEIRARCHY FOR FINANCIAL INSTRUMENTS (CONTINUED)

(a) Accounting classifications at carrying amounts and fair values – continued

	Carrying amounts					Fair value			
At 31 December 2024	**Financial assets at amortised cost**	**Financial assets at FVOCI**	**Financial assets at FVTPL**	**Financial liabilities at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**
Cash and balances with Bank of Tanzania*	86,527,215	-	-	-	**86,527,215**	-	86,527,215	-	**86,527,215**
Items in the course of collection	-	.	-	-	**-**	-	-	-	**-**
Government securities measured at FVOCI		-	-	-	**-**	-	-	-	**-**
Government securities measured at FVTPL	-	-	1,688,839	-	**1,688,839**	-	1,688,839	-	**1,688,839**
Government securities at amortised cost	165,676,022			-	**165,676,022**	-	159,685,597		**159,685,597**
Equity investment at FVOCI	-	1,013,750	-	-	**1,013,750**	-	-	1,013,750	**1,013,750**
Loans and advances to banks*	61,038,155	-	-	-	**61,038,155**	-	61,038,155	-	**61,038,155**
Loans and advances to customers	435,023,035	-	-	-	**435,023,035**	-	424,779,555	-	**424,779,555**
Due from group companies*	7,730,343	-	-	-	**7,730,343**	-	7,730,343	-	**7,730,343**
Other assets*	10,104,727	-	-	-	**10,104,727**		10,104,727	-	**10,104,727**
31-Dec-24	**766,099,497**	**1,013,750**	**1,688,839**	**-**	**768,802,086**	**-**	**751,554,431**	**1,013,750**	**752,568,181**
Financial liabilities									
Deposits from banks*	-	-	-	57,529,859	**57,529,859**	-	57,529,859	-	**57,529,859**
Deposits from customers	-	-	-	548,921,860	**548,921,860**	-	553,982,932	-	**553,982,932**
Due to group companies*	-	-	-	50,862,574	**50,862,574**	-	50,862,574	-	**50,862,574**
Long term borrowings	-	-	-	3,276,176	**3,276,176**	-	1,499,482	-	**1,499,482**
Other liabilities*	-	-	-	11,473,947	**11,473,947**	-	11,473,947	-	**11,473,947**
31-Dec-24	**-**	**-**	**-**	**672,64,416**	**672,064,416**		**675,348,794**	**-**	**675,348,794**

*The disclosed carrying values of these financial assets and financial liabilities approximate their fair values as their related interest rates approximate the industry rates. Cash and balances with Bank of Tanzania as well as loans and advances to banks (short term placements) also approximate their fair values.

FAIR VALUE HEIRARCHY FOR FINANCIAL INSTRUMENTS (CONTINUED)

(b) Level 3 fair value measurements

Level 3 instruments relate to investment in Tanzania Mortgage Refinancing Company (TMRC), a non-listed entity.

(i) Reconciliation

There were no additions or significant changes in the fair value of the investment during the year.

(ii) Unobservable inputs used in measuring fair value.

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorized as Level 3 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category of asset/liability	Valuation technique applied	Significant observable inputs
Unquoted Equity Investment	Comparable multiple method	Discount rates and prices of comparable companies

Fair value measurement sensitivity to unobservable inputs

The estimated fair value would increase and decrease if the market rates for similar instruments and discount rate decrease and increase respectively.

6. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Interest income calculated using EIR			
Loans and advances to customers	105,076,152	78,238,769	56,324,575
Loans and advances to banks	1,115,766	1,126,356	1,362,740
Investment securities:-			
- At amortised cost	16,668,231	18,251,046	14,576,261
- At FVOCI	-	17,398	272,094
	122,860,149	97,633,569	72,535,670
Other interest income:			
Investment securities at FVTPL	27,550	243,754	-
	122,887,699	**97,877,323**	**72,535,670**

7. INTEREST EXPENSE

	2025	2024	2023
Interest expense calculated using EIR			
Deposits from customers	32,194,179	28,751,438	22,803,561
Deposits from banks	2,025,206	1,351,844	1,537,868
Long term debt	833,988	244,418	789,446
Lease liabilities	984,131	807,961	250,569
	36,037,504	**31,155,661**	**25,381,444**

8. *(A) NET INTEREST INCOME*

	2025	2024	2023
Net Interest Income	**86,850,195**	**66,721,662**	**47,154,226**

9. NET FEE AND COMMISSION INCOME

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Fee and commission income			
Ledger fee	1,145,686	1,075,500	-
Card income	1,232,196	2,372,234	-
Remittance income	1,689,852	1,554,991	-
Commitment fees	1,730,332	1,538,427	-
Other fees	2,549,550	917,040	5,746,126
Commission on Bancassurance	235,433	177,225	161,049
	8,583,049	**7,635,417**	**5,907,175**
Fees and commission expense			
Interbank transaction fees	(81,708)	(34,358)	(73,638)
Net fee and commission income	**8,501,341**	**7,601,059**	**5,833,537**

Contract Balances

Due to the short-term nature of service contracts, the Bank generally does not recognise contract assets. The contract liabilities primarily relate to the non-refundable up-front fees received from customers on opening an asset management account. This is recognised as revenue over the period for which a customer is expected to continue receiving asset management services.

The following table provides information about receivables and contract liabilities from contracts with customers.

Contract liabilities, which are included in other liabilities – (Deferred commission)

	2025 TZS '000	2024 TZS '000
Contract liabilities, which are included in other liabilities – Note 27 (Deferred lending commitment fees)	1,183,760	814,847

Management applies judgement in:

- distinguishing whether a fee falls under IFRS 9 or IFRS 15;
- determining whether obligations are satisfied at a point in time or over time;
- identifying stand-ready obligations;
- assessing the appropriate level of revenue disaggregation.

The amount of TZS 231 million included in contract liabilities at 31 December 2024 has been recognised as revenue for the year ended 31 December 2025 (2024: TZS 805 million).

10. NET TRADING INCOME

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Trading income	8,436,213	7,695,570	6,654,703
Revaluation	1,053	40,893	-
	8,437,266	**7,736,463**	**6,654,703**

11. OTHER OPERATING INCOME

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Recovery income from written-off loans	14,477,952	6,818,662	-
Gain on disposal of PPE	2,757	-	-
Other income	34,195	174,468	137,744
	14,514,904	**6,993,130**	**137,744**

12. DIVIDEND INCOME

Dividend income-Tanzania Mortgage Refinancing Company Limited	10,310	22,566	-

13. OPERATING EXPENSES

Staff costs			
Salaries and wages	15,488,681	13,240,590	11,518,455
Defined contribution plans	1,556,080	1,237,722	1,073,719
Skills and Development levy	564,190	445,140	416,400
Medical and Life Insurance	836,456	739,540	688,848
Staff Training and HR systems costs	133,479	135,232	70,496
Other staff costs	1,477,963	1,094,401	848,598
	20,056,849	**16,892,625**	**14,616,516**
Premises and equipment costs			
Utilities	275,484	215,920	168,648
Security	352,089	396,339	454,829
Service charge and other costs	348,421	582,828	267,687
	975,994	**1,195,087**	**891,164**
General administrative expenses			
Marketing expenses	811,392	497,572	278,353
Deposit protection insurance contribution	-	-	683,100
Auditor's fees*	152,317	199,429	168,012
Directors' emoluments	622,515	337,794	270,027
Legal and consultancy fees	883,585	796,322	747,825
Management fees	1,753,594	1,684,642	1,585,087
CSR-Corporate Social Responsibility	185,815	26,818	36,000
Insurance	1,435,161	1,294,000	338,512
Network costs	1,848,823	1,932,478	1,704,450
Card expenses	2,995,778	2,167,255	-
Kamilisha expenses***	19,730,450	5,980,844	2,661,771
License fees	4,404,809	3,691,130	864,097
Bancassurance expenses**	9,625	22,971	21,523
Provision for legal cases	-	879,990	-
Unclaimable VAT expenses	2,157,145	2,215,829	-
Disposal of property and equipment	-	127,689	-
Loss on Disposal of ROU asset	-	9,062	-
Other expenses****	2,407,470	4,518,105	7,133,142
	39,398,479	**26,381,930**	**16,491,899**

13. OPERATING EXPENSES (Continued)

	2025	2024	2023
Depreciation and Amortisation	**TZS '000**	**TZS '000**	**TZS '000**
Depreciation on property and equipment (Note 20)	1,529,307	898,855	1,029,966
Depreciation on right of use asset (Note 20)	2,197,905	2,059,610	528,775
Amortisation of intangible assets (Note 21)	790,938	1,512,700	1,770,468
	4,518,150	**4,471,165**	**3,329,209**

*Auditors' remuneration represents the fees that have been charged for the financial statements audit for the current and previous financial year.

**Bancassurance audit services constitute other services provided by KPMG for the current and previous year.

***Kamilisha expenses relate to licence fees paid in relation to the digital loan platform as well as commission fees to partners engaged on running the business. TZS 19,730 million (2024: TZS 5,981 million)

****Other expenses, these consist of repair and maintenance TZS 377 million (2024: TZS 59 million), office running expenses, bad debts recovery costs TZS 549 million (2024: TZS 392 million), deposit insurance TZS 757 million (2024: TZS 791 million).

14. TAXATION

(a) Income tax expense

	2025	2024	2023
	TZS '000	**TZS '000**	**TZS '000**
Income tax - current year	3,102,257	3,369,048	1,888,110
Income tax - prior year	34,436	-	(312,466)
Deferred tax current year	(1,053,746)	(229,587)	744,728
Deferred tax - prior years	-	-	(1,729,687)
Income tax expense	**2,082,947**	**3,139,461**	**590,685**

(b) Tax reconciliation

The tax on the Bank's profit/(loss) before income tax differs from the theoretical amount using the basic rate as follows:

	2025	2024	2023
	TZS '000	**TZS '000**	**TZS '000**
	22,144,315	**18,303,151**	**5,358,522**
Computed tax using the applicable corporation tax rate at 30%	6,643,295	5,490,945	1,607,557
Effect on non-allowable income	(5,591,182)	(3,470,271)	(16,363)
Effect on non-deductible expenses	996,398	190,507	36,713
Recoveries of PY rejected write-offs	-	(519,756)	-
Impairment/provision adjustment - non-P&L movement	-	1,654,687	-
Prior year income tax charge	34,436	-	-
Other adjustments	-	(206,651)	(1,037,222)

	2,082,947	**3,139,461**	**590,685**

14. TAXATION (Continued)

(c) Current income tax recoverable

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
At 1 January	(2,461,684)	(2,500,938)	(1,406,582)
Income tax expense (Note 14(a))	3,136,693	3,369,048	1,575,644
Tax paid	(4,883,096)	(3,329,794)	(2,670,000)
At 31 December	**(4,208,087)**	**(2,461,684)**	**(2,500,938)**

15. CASH AND BALANCES WITH BANK OF TANZANIA

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Cash on hand	13,442,812	8,196,912	5,985,059
Short term money market placements			
Balances with Bank of Tanzania:			
-Restricted balances (Statutory Minimum Reserve*)	38,996,842	34,427,661	31,389,470
-Unrestricted balances	48,619,230	43,902,642	14,418,929
	101,058,884	**86,527,215**	**51,793,458**

*The Statutory Minimum Reserve is non-interest earning and is based on the value of deposits as adjusted for Bank of Tanzania requirement and is not available for day-to-day operations.

**Restatements done on prior year balances. Refer to Note 37.

16. LOANS AND ADVANCES TO BANKS

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Balances with other Banks	59,226,553	58,319,354	24,771,936
Placements:			
Due within 90 Days	45,355,914	2,453,267	8,521,236
Due after 90 days	290,058	-	-
After 1 year	-	265,534	6,250,000
	104,872,525	**61,038,155**	**39,543,172**

17. LOANS AND ADVANCES TO CUSTOMERS

(a) Net Loans

Overdrafts	177,686,926	168,266,930	184,289,015
Secured term loans	328,589,857	257,178,098	293,006,542
Digital lending	18,420,548	15,821,972	9,120,657
Unsecured term loans	35,049,075	6,228,749	2,122,215
Gross loans and advances	**559,746,406**	**447,495,749**	**488,538,429**
Less: Impairment losses on loans and advances	(31,770,347)	(12,472,714)	(38,724,338)
Net loans and advances	**527,976,059**	**435,023,035**	**449,814,091**

Current	**263,631,693**	**264,266,645**
Non-current	**264,344,366**	**170,756,390**

17. LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Non-performing loans and advances

Non-performing loans and advances net of impairment losses and estimated value of securities are disclosed in Note 4(a).

	2025 TZS '000	2024 TZS '000	
Interest on impaired loans and advances which has not yet been received in cash	**1,755,149**	**1,813,143**	**-**

(c) Impairment losses on loans and advances movement

2025:	**Loans and advances to Customers at amortised cost** **TZS '000**	**Loan commitments and financial guarantee contracts** **TZS '000**	**Total** **TZS '000**
Movements in ECL with P&L impact			
Net remeasurement of loss allowance	11,784,559	32,563	11,817,122
New financial assets originated or purchased	2,911,308	-	2,911,308
Recoveries and impairment released	(1,663,346)	-	(1,663,346)
	13,032,521	**32,563**	**13,065,084**
Recoveries and impairment no longer required			
ECL of stage 3 Interest income	2,278,099	-	2,278,099
Write-off	16,075,568	-	16,075,568
	31,386,188	**32,563**	**31,418,751**

17. LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Impairment losses on loans and advances movement (continued)

2024:	Loans and advances to Customers at amortized cost TZS '000	Loan commitments and financial guarantee contracts TZS '000	Total TZS '000
Movements in ECL with P&L impact			
Net remeasurement of loss allowance	4,021,917	(75,060)	3,946,857
New financial assets originated or purchased	1,043,504	-	1,043,504
Derecognised/paid off	(1,150,699)	-	(1,150,699)
Recoveries and impairment released	(2,461,237)	-	(2,461,237)
	1,453,485	**(75,060)**	**1,378,425**
Direct P&L charges in the year			
ECL of stage 3 Interest income	3,544,662	-	3,544,662
Write-offs	16,952,856	-	16,952,856
	21,951,003	**(75,060)**	**21,875,943**

2023:	Loans and advances to Customers at amortised cost TZS '000	Loan commitments and financial guarantee contracts TZS '000	Total TZS '000
Movements in ECL with P&L impact			
Net remeasurement of loss allowance	14,841,460	164,776	15,006,236
New financial assets originated or purchased	62,069	-	62,069
	14,903,529	164,776	**15,068,305**
Recoveries and impairment no longer required	(4,308,979)	-	(4,308,979)
Write-offs	8,556,818	-	8,556,818
	19,151,368	**164,776**	**19,316,144**

Movement of Impairment losses on loans and advances:

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Balance at 1 January	12,472,714	38,724,338	34,058,885
Charge for the year	31,386,188	21,951,003	19,151,368
Financial assets derecognized	(1,663,346)	(2,461,237)	
Write offs	(10,425,209)	(45,741,390)	(14,485,915)
Balance at 31 December	**31,770,347**	**12,472,714**	**38,724,338**

18. INVESTMENT IN GOVERNMENT SECURITIES

(a) Government securities at amortised cost

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Treasury bills (current)	15,948,915	66,387,780	52,228,917
Treasury bonds (current)	2,853,757	13,586,571	16,451,103
Treasury bonds (non-current)	129,740,932	85,701,671	83,073,371
	148,543,604	**165,676,022**	**151,753,391**

Treasury Bills and Bonds are debt securities issued by the Government of the United Republic of Tanzania and during the year the effective interest rate was 12.48% (2024: 11.65%).

The movement of financial assets measured at amortised cost during the year was as follows:

	2025 TZS '000	2024 TZS '000	2023 TZS '000
At 1 January	165,676,022	151,753,391	121,144,674
Additions	61,203,680	78,180,608	66,198,416
Matured securities	(84,583,590)	(72,538,553)	(39,865,000)
Interest receivable	6,247,492	8,280,576	4,275,301
At 31 December	**148,543,604**	**165,676,022**	**151,753,391**

(b) Government securities measured at fair value through profit and loss (FVTPL)

The Bank has invested in various treasury bonds that are designated at fair value through Profit or Loss. The movement in these securities is as follows:

Treasury Bonds	2025 TZS '000	2024 TZS '000	2023 TZS '000
At 1 January	1,688,839	3,192,275	4,066,820
Additions	-	1,500,000	13,481,266
Disposals	(1,688,839)	(3,192,275)	(15,984,538)
Fair value change	-	11,220	(49,402)
Interest receivable	-	177,619	25,561
At 31 December	**-**	**1,688,839**	**1,539,707**
Non-current	**-**	**1,688,839**	**1,539,707**

19. EQUITY INVESTMENT

Investment at fair value through other comprehensive income (FVOCI)

Company name	2025 TZS '000	2024 TZS '000	2023 TZS '000
Tanzania Mortgage Refinancing Company Limited	**1,013,750**	**1,013,750**	**1,013,750**

Tanzania Mortgage Refinance Company (TMRC) is a financial institution owned by banks and non-bank institutions with the sole purpose of supporting banks to do mortgage lending by refinancing banks' mortgage portfolios.

As at 31 December 2025, the Bank had 625,000 shares (2024: 625,000, 2023: 625,000) in TMRC.

20. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSET

2025	Leasehold improvements TZS '000	Furniture, fittings, fixtures and office equipment TZS '000	Computers TZS '000	Motor vehicles TZS '000	Capital work in progress TZS '000	Right of use assets* TZS '000	Total TZS '000
Cost							
At 1 January 2025	5,728,232	8,083,682	968,397	774,728	-	10,433,362	25,988,401
Additions	122,397	896,089	86,933	117,000	227,031	3,119,601	4,569,051
Disposal	(158,131)	-	(9,000)	-	-	-	(167,131)
Modification	-	-	-	-	-	1,274,253	1,274,253
At 31 December 2025	**5,692,498**	**8,979,771**	**1,046,330**	**891,728**	**227,031**	**14,827,216**	**31,664,574**
Depreciation							
At 1 January 2025	3,016,002	4,732,609	813,008	542,465	-	3,169,220	12,273,304
On disposals	(158,130)	-	(2,757)	-	-	-	(160,887)
Charge for the year	612,617	706,999	76,880	132,811	-	2,197,905	3,727,212
At 31 December 2025	**3,470,489**	**5,439,608**	**887,131**	**675,276**	**-**	**5,367,125**	**15,839,629**
Net book value at 31 December 2025	**2,222,009**	**3,540,163**	**159,199**	**216,452**	**227,031**	**9,460,091**	**15,824,945**

* Right of use assets comprises of leased branch premises, residential apartments and head office.

20. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSET (Continued)

2024	Leasehold improvements TZS '000	Furniture, fittings, fixtures and office equipment TZS '000	Computers TZS '000	Motor vehicles TZS '000	Capital work in progress TZS '000	Right of use assets* TZS '000	Total TZS '000
Cost							
At 1 January 2024	4,100,109	7,773,583	1,104,155	619,128	-	12,239,402	25,836,377
Additions	2,491,187	1,401,022	22,393	171,600	-	2,005,444	6,091,646
Disposal	(863,064)	(1,090,923)	(158,151)	(16,000)	-	(3,811,484)	(5,939,622)
At 31 December 2024	**5,728,232**	**8,083,682**	**968,397**	**774,728**		**10,433,362**	**25,988,401**
Depreciation							
At 1 January 2024	3,582,284	5,261,478	901,632	460,284	-	4,214,631	14,420,309
On disposals	(795,352)	(996,961)	(154,619)	(15,968)	-	(3,105,021)	(5,067,921)
Adjustment	-	-	(37,549)	-	-	-	(37,549)
Charge for the year	229,070	468,092	103,544	98,149	-	2,059,610	2,958,465
At 31 December 2024	**3,016,002**	**4,732,609**	**813,008**	**542,465**	**-**	**3,169,220**	**12,273,304**
Net book value at 31 December 2024	**2,712,230**	**3,351,073**	**155,389**	**232,263**	**-**	**7,264,142**	**13,715,097**

* Right of use assets comprises of leased branch premises and head office.

Costs At 31 December 2023	**4,100,109**	**7,773,583**	**1,104,155**	**619,128**	**12,239,402**	**-**	**25,836,377**
Acc. Depreciation At 31 December 2023	**3,582,284**	**5,261,478**	**901,632**	**460,284**	**4,214,631**	**-**	**14,420,309**
Net book value at 31 December 2023	**517,825**	**2,512,105**	**202,523**	**158,844**	**8,024,771**	**-**	**11,416,068**

21. INTANGIBLE ASSETS

Intangible assets relate to software.

2025	Computer Software	Capital work in progress	Total
Cost	**TZS '000**	**TZS '000**	**TZS '000**
At 1 January 2025	**12,474,255**	**1,007,293**	**13,481,548**
Additions	1,521,765	717,644	2,239,409
Reclassification	304,489	(304,489)	-
Write-off	-	(106,613)	(106,613)
At 31 December 2025	**14,300,509**	**1,313,835**	**15,614,344**
Amortisation			
At 1 January 2025	**10,344,883**	**-**	**10,344,883**
Amortisation for the year	790,938	-	790,938
At 31 December 2025	**11,135,821**	**-**	**11,135,821**
Carrying amount at 31 December 2025	**3,164,688**	**1,313,835**	**4,478,523**
2024			
Cost			
At 1 January 2024	**11,487,534**	**515,553**	**12,003,087**
Additions	492,325	986,136	1,478,461
Reclassification	494,396	(494,396)	-
At 31 December 2024	**12,474,255**	**1,007,293**	**13,481,548**
Amortisation			
At 1 January 2024	**8,832,183**	**-**	**8,832,183**
Amortisation for the year	1,512,700	-	1,512,700
At 31 December 2024	**10,344,883**	**-**	**10,344,883**
Carrying amount at 31 December 2024	**2,129,372**	**1,007,293**	**3,136,665**
2023			
Cost			
At 1 January 2023	**10,173,311**	**-**	**10,173,311**
Additions	1,009,597	511,398	1,520,995
Transfer from Property and Equipment and Right of Use Asset	-	308,781	308,781
Transfer from Work in Progress	304,626	(304,626)	-
At 31 December 2023	**11,487,534**	**515,553**	**12,003,087**
Amortisation			
At 1 January 2023	**7,061,715**	**-**	**7,061,715**
Amortisation for the year	1,770,468	-	1,770,468
At 31 December 2023	**8,832,183**		**8,832,183**
Carrying amount at 31 December 2023	**2,655,351**	**515,553**	**3,170,904**

22. DEFERRED TAX ASSET

2025	Balance at 1 January TZS '000	Recognized in profit or loss TZS '000	Balance at 31 December TZS '000
Property and Equipment	198,434	(76,100)	122,334
Impairment losses on loans and advances	11,256,335	959,602	12,215,937
Provisions	640,395	26,569	666,964
Financial assets measured at fair value through other comprehensive income (FVOCI)	(94,399)	-	(94,399)
Right of use of asset (IFRS 16)	561,338	143,675	705,013
	12,562,103	**1,053,746**	**13,615,849**

2024	Balance at 1 January TZS '000	Recognized in profit or loss TZS '000	Balance at 31 December TZS '000
Property and Equipment	(3,872)	202,306	198,434
Impairment losses on loans and advances	11,679,814	(423,479)	11,256,335
Provisions	312,565	327,830	640,395
Financial assets measured at fair value through other comprehensive income (FVOCI)	(80,890)	(13,509)	(94,399)
Right of use of asset (IFRS 16)	424,899	136,439	561,338
	12,332,516	**229,587**	**12,562,103**

2023	Balance at 1 January TZS '000	Recognized in equity TZS '000	Recognized in profit or loss TZS '000	Balance at 31 December TZS '000
	11,331,443	**16,114**	**4,421,350**	**11,331,443**

23. OTHER ASSETS

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Prepayments	2,746,931	2,087,088	1,809,906
Tax receivables	1,200,000	1,200,000	427,259
Items in the process of collection	47,436	-	-
Balance with mobile network operators	18,262,136	9,801,454	4,715,781
Other receivables	287,466	303,272	633,707
	22,543,969	**13,391,814**	**7,586,653**

All other assets are current.

24. DEPOSITS FROM BANKS

Due within 90 Days	**64,844,761**	**57,529,859**	**20,026,776**

25. DEPOSITS FROM CUSTOMERS

Current savings	170,198,830	128,149,205	139,837,698
Savings deposits	68,158,041	62,083,562	68,020,648
Time deposits	368,744,218	357,166,470	352,799,835
Others	3,083,206	1,522,623	1,453,583
	610,184,295	**548,921,860**	**562,111,764**
Current	**304,313,550**	**432,016,648**	**446,450,896**
Non-current	**305,870,745**	**116,905,212**	**115,660,868**

26. PROVISIONS

At 1 January	879,990	-	-
Charge during the year	-	879,990	-
At 31 December	**879,990**	**879,990**	**-**

The Bank is involved in various legal proceedings arising from its normal course of business. Based on legal advice and management's assessment, a provision of TZS 880 million has been recognized. This provision represents the best estimate of the probable economic outflow required to settle these obligations. The timing of settlement for these legal cases is uncertain and depends on the progression of the judicial process. The Bank continues to monitor developments and will adjust the provision as necessary.

27. OTHER LIABILITIES

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
Accruals	8,496,972	8,029,492	3,160,436
Deferred loan administration fees	1,183,760	814,847	1,302,586
Statutory liabilities	3,294,823	3,265,690	1,322,474
Visa Settlement	1,457,310	2,884,824	2,862,558
Provisions for loan commitments*	165,875	133,311	208,371
Bankers cheques payable	345,239	335,640	328,226
Items in the process of collection	-	41,936	-
Other accounts payables	849,577	182,055	122,160
	15,793,556	**15,687,795**	**9,306,811**

All other liabilities are current.

*This represents impairment allowance for loan commitments and financial guarantee contracts.

28. LONG TERM BORROWINGS

	2025	2024	2023
	TZS '000	TZS '000	TZS '000
TMRC	3,276,176	3,276,176	3,276,176
FMO	12,895,004	-	-
	16,171,180	**3,276,176**	**3,276,176**
Maturity:			
Less than one year	1,883,696	26,176	26,176
One to five years	14,287,484	3,250,000	3,250,000
	16,171,180	**3,276,176**	**3,276,176**
Loan movement schedule			
At 1 January	3,276,176	3,276,176	12,857,355
Proceeds	12,425,000	-	
			(9,487,473)
Interest paid	(468,635)	(244,418)	(1,283,274)
Interest expenses	833,988	244,418	789,446
Translation differences	104,651	-	400,122
At 31 December	**16,171,180**	**3,276,176**	**3,276,176**

Tanzania Mortgage Refinance Company Limited (TMRC)

The long-term borrowing of TZS 3,250 million was granted in two tranches of which (i) TZS 1,800 million was granted on 12 August 2022 with an effective rate of 7.5% for tenure of 5 years and (ii) TZS 1,450 million was granted on 30th August 2022 with an effective rate of 7.5% for a tenure of 3 years. The interest on the facility is repayable on a quarterly basis and the principal at maturity. The outstanding balance as at 31 December 2023 was TZS 3.28 billion (2022: TZS 3.28 billion).

29. LONG TERM BORROWINGS (CONTINUED)

FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.)

In August 2025, the Bank entered into a USD 10 million five-year senior debt facility with FMO. The facility is unsecured, and interest and principal are payable on a semi-annual basis. The first tranche of USD 5 million was drawn down in June 2025. The effective interest rate applicable to the facility is 6.69% per annum. As at 31 December 2025, the outstanding balance under the facility was USD 5 million.

30. SHARE CAPITAL AND RESERVES

The holders of ordinary shares are entitled to receive dividends as declared from time to time and Ordinary Shares are entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regards to the Bank’s residual assets.

(a) Authorized share capital

2025	**Number of shares**	**TZS '000**
Authorized - Ordinary A Class Shares		
At 31 December 2025 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**
Authorized - Ordinary B Class Shares		
At 31 December 2025 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**

2024	**Number of shares**	**TZS '000**
Authorized - Ordinary A Class Shares		
At 31 December 2024 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**
Authorized - Ordinary B Class Shares		
At 31 December 2024 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**

2023	**Number of shares**	**TZS '000**
Authorized - Ordinary A Class Shares		
At 31 December 2023 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**
Authorized - Ordinary B Class Shares		
At 31 December 2023 (par value TZS 1,000,000 each)	**50,000**	**50,000,000**

30. SHARE CAPITAL AND RESERVES (CONTINUED)

(b) Issued and fully paid up share capital

	Number of shares	Share Capital TZS '000	Share Premium TZS '000
2025			
Ordinary A Class Shares			
1 January 2025 (par value TZS 1,000,000 each)	3,554	3,554,016	31,433,751
At 31 December	3,554	3,554,016	31,433,751
2025			
Ordinary B Class Shares			
1 January 2025 (par value TZS 1,000,000 each)	20,400	20,400,000	94,477
Additional Capital	13,800	13,800,000	-
At 31 December	34,200	34,200,000	94,477
Total		37,754,016	31,528,228

	Number of shares	Share Capital TZS '000	Share Premium TZS '000
2024			
Ordinary A Class Shares			
1 January 2024 (par value TZS 1,000,000 each)	2,792	2,792,000	17,995,751
Additional capital	762	762,016	13,438,000
At 31 December	3,554	3,554,016	31,433,751
Ordinary B Class Shares			
1 January 2024 (par value TZS 1,000,000 each)	20,400	20,400,000	94,477
At 31 December	20,400	20,400,000	94,477
Total		23,954,016	31,528,228

	Number of shares	Share Capital TZS '000	Share Premium TZS '000
2023			
Ordinary A Class Shares			
1 January 2023 (par value TZS 1,000,000 each)	2,792	2,792,000	17,995,751
Additional capital	762	762,016	13,438,000
At 31 December	3,554	3,554,016	31,433,751
Ordinary B Class Shares			
1 January 2023 (par value TZS 1,000,000 each)	20,400	20,400,000	94,477
At 31 December	20,400	20,400,000	94,477

Total	**23,954,016**	**31,528,228**

(c) Statutory reserve

Where impairment losses required by legislation or regulations exceed those computed under IFRS accounting standards, the excess is recognised as a statutory reserve and accounted for as an appropriation of retained profits. Conversely, when the legislated impairment loss requirement is less that IFRS 9 ECL, the decrease is released from the statutory reserve. These reserves are not distributable. During the year the statutory reserve amounted to NIL (2024: TZS 7.8 billion).

(d) Fair Value Reserve

Fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI; and the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified.

	2025 TZS '000	2024 TZS '000
Equity investment fair value reserve movement:		
At 1 January	**270,004**	**270,004**
Net FV changes during the year	-	-
At 31 December	**270,004**	**270,004**
Treasury bond fair value reserve movement:		
At 1 January	-	15,744
Net FV changes during the year	-	(6,061)
Transfer to Profit or Loss	-	(16,430)
Tax on the FV	-	6,747
Net movement	-	(15,744)
At 31 December	**-**	**-**
Total Fair Value Reserve	**270,004**	**270,004**

31. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Net cash flows generated from/(used in) operating activities

	Note	2,025 TZS '000	2024 Restated TZS '000	2,023 TZS '000
Cash flows from operating activities				
Profit before income tax		22,144,317	18,303,151	5,358,522
Adjustments for:				
Depreciation on Property & Equipment		1,528,801	898,855	1,029,966
Depreciation on right of use asset	20	2,197,905	2,059,610	528,775
Amortisation of intangible asset	21	790,938	1,512,700	-
Write-off of intangible asset		106,613	-	-
Net interest income**	8(a)	(86,850,195)	(66,721,662)	-
Disposal of Property and Equipment		(2,757)	127,689	1,770,468
Disposal of ROU asset		-	706,463	250,569
Disposal of Lease liability		-	(697,401)	-
Net impairment on loans and advances		31,418,751	21,875,943	19,316,144
Interest on long term loans		-	-	789,446
Dividend income		(10,310)	(22,556)	(20,756)
Provision for legal cases		-	879,990	-
Exchange (gain)/loss on cash and cash equivalent		1,554,996	1,564,292	(1,889,906)
Exchange loss on borrowings		104,651	-	400,122
Exchange loss on lease liability		(135,164)	(690,986)	46,896
Fair value gain on FVTPL investment				(36,470)
		(27,151,454)	**(20,203,912)**	**27,603,661**
Increase/(decrease) in operating assets				
Movement in loans and advances to customers		(123,109,132)	(15,781,191)	(102,993,771)
Investment in government securities - amortised		18,906,543	(7,375,770)	(30,608,717)
Investment in government securities - FVOCI		-	1,523,277	2,527,113
Investment in government securities - FVTPL		1,688,839	1,758,527	(3,192,276)
Due from group companies		(2,097,872)	(3,964,898)	(2,395,257)
Loans and advances to Banks		9,598	6,528,381	(5,886,356)
Net change in Statutory Minimum Reserve		(3,655,345)	(2,430,553)	(6,081,520)
Other assets		(9,062,783)	(5,840,350)	(2,740,874)
		(117,320,152)	**(25,582,577)**	**(151,371,658)**
Increase/decrease) in operating liabilities				
Customer deposits		59,809,044	(1,583,662)	107,918,434
Deposits from banks		7,308,811	37,712,000	4,012,688
Balances due to group companies		32,052,431	5,327,425	15,850,112
Provisions		-	-	(1,149,788)
Other liabilities		105,761	6,380,984	869,454
		99,276,047	**47,836,747**	**127,500,900**
Generated from operating activities		**(45,195,559)**	**2,050,258**	**3,732,903**

*Restatements done on prior year balances. Refer to Note 37 for further explanations.** Interest on long-term borrowing was previously presented under financing activities it is now presented under operating activities to achieve better presentation.

31. NOTES TO THE STATEMENT OF CASH FLOWS

Analysis of cash and cash equivalents

	Note	2025 TZS '000	2024 *Restated TZS '000	2023 TZS '000
Cash and balances with Bank of Tanzania – excluding SMR*		69,861,410	58,985,086	20,403,988
Items in the process of collection	23	47,436	(41,936)	444,221
Loans and advances to banks	16	104,582,467	60,772,621	33,293,172
		174,491,313	**119,715,771**	**54,141,381**

*Cash and balances with the Bank of Tanzania comprise cash on hand, short term money market placements and balances with the Bank of Tanzania including 20% of Statutory Minimum Reserve.
**Restatements done on prior year balances. Refer to Note 37.

32. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS

In the ordinary course of business, the bank conduct business involving guarantees, acceptances and letters of credit. These facilities are offset by corresponding obligations of third parties. At the period end, the contingent liabilities were as follows:

	2025 TZS '000	2024 TZS '000	2023 TZS '000
Contingencies related to:			
Letters of credit	49,513,917	23,063,380	17,076,505
Guarantees	52,454,783	41,212,602	46,206,334
Acceptances/undrawn balance	66,135,206	61,681,115	40,041,818
	168,103,906	**125,957,097**	**103,324,657**

Guarantees are generally written by a bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default.

Letters of credit commit the Bank to make payment to third parties, on production of documents, which are subsequently reimbursed by customers.

An *acceptance* is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented and reimbursement by the customer is almost immediate.

33. CONTINGENT LIABILITIES

As at 31 December 2025, the Bank had a contingent liability of TZS 29.8 billion arising from additional tax assessments for the 2022 to 2024 years of assessment, relating to the Tanzania Revenue Authority's interpretation of the thin capitalisation rules applicable mainly to the Bank's debt-to-equity ratio and write-offs disallowance; no provision has been recognised as management has determined that an outflow of economic benefits is not probable at the reporting date, and the Bank continues to engage with the tax authority, with the Directors reassessing the position as further information becomes available.

34. RELATED PARTY TRANSACTIONS

Identification of related parties

The Bank has no investments in subsidiaries, joint ventures, or associates. The names of directors are listed in the directors' report.

Transactions with related parties

Transactions relate to loans and advances and deposits which are issued or received from the related parties at market interest rates. Other transactions relate to remuneration to directors and key management personnel. The Bank maintains banking facilities with I&M Bank Limited and other subsidiaries of I&M Bank Limited for transactional and trading purposes.

Key management comprise of Chief Executive officer and all heads of departments.

		2,025	2,024	2,023
(a)	**Directors and key management personnel:**			
	Loans	**TZS '000'**	**TZS '000'**	**TZS '000'**
	Loans outstanding at the beginning of the year	9,457,081	6,939,345	4,932,793
	Loans issued during the year	42,832,657	12,942,925	2,749,761
	Loan repayments during the year	(17,004,866)	(10,425,189)	(743,209)
	Loans outstanding at the end of the year	**35,284,872**	**9,457,081**	**6,939,345**
	Interest income earned	**3,536,479**	**947,850**	**594,426**
(b)	**Directors and key management personnel: Deposits**			
	Deposits at the beginning of the year	847,022	4,353,693	3,275,340
	Deposits received during the year	4,669,242	5,355,359	22,575,882
	Deposits repaid during the year	(4,702,524)	(8,862,030)	(21,497,529)
	Deposits at the end of the year	**813,740**	**847,022**	**4,353,693**
	Interest expense	**73,237**	**76,232**	**391,833**
(c)	**Amount due from/to related companies were as follows:**			
	Amounts due from related parties:			
	I&M Bank Limited (The parent)	3,252,586	2,469,552	3,394,694
	I&M Bank Rwanda Plc- Sister company	859,550	356,912	370,751
	I&M Bank (Uganda) Limited- Sister company	-	2,452,246	-
	Bank One Limited- Sister company	5,716,079	2,451,633	-
	All balances are current and unsecured	**9,828,215**	**7,730,343**	**3,765,445**
	Amounts due to related parties:			
	I&M Bank Limited (The Parent)	77,338,129	47,989,875	26,268,304
	I&M Bank Rwanda Plc- Sister company	3,825,365	2,510,834	1,020,342
	I&M Bank (Uganda) Limited	-	-	5,090,000
	Bank One Limited- Sister company	-	115,653	-
	I&M Realty (Tanzania) Limited- Sister company	1,751,511	246,212	120,138
	All balances are current and unsecured	**82,915,005**	**50,862,574**	**32,498,784**
(d)	**Management fees**			
	Management fees paid to I&M Bank Limited (The parent)	**1,753,594**	**1,684,642**	**1,585,087**

35. RELATED PARTY TRANSACTIONS (CONTINUED)

	2,025	2,024	2,023
(e) Key management compensation	**TZS '000'**	**TZS '000'**	**TZS '000'**
Salaries and other short-term benefits	4,244,111	3,858,283	3,388,036
Post-employment benefits	424,411	385,828	308,003
	4,668,522	**4,244,111**	**3,388,036**

(f) Directors' remuneration

Directors' remuneration is made up of short-term benefits

	2025	2024	2023
	TZS '000	**TZS '000**	**TZS '000**
Mr. Madabhushi Soundararajan	48,706	27,618	-
Mr.Sarit Shah	-	-	7,412
Mr.Pratul H.Shah	-	26,206	26,206
Mr.Shameer Patel	74,221	41,941	39,471
Mr. Alan Mchaki	59,706	34,882	35,588
Emmanuel Johannes	56,471	28,324	28,323
Ambassador Amina Ali	13,338	22,324	24,088
Raeesha Fakira	50,294	22,324	27,618
Christopher Kihara Maina	69,221	40,529	11,448
Jamhuri Ngelime	68,235	29,382	5,093
Paresh Manek	61,956	34,882	22,566
Mr. Christian Shirima	69,647	29,382	6,000
Ms. Nancy Riwa	50,721	-	-
	622,516	**337,794**	**233,813**

The loans issued to directors and key management during the year were unsecured. There were no loans issued to non-executive directors. Loans issued to the executive directors and key management are in line with those provided to other employees in accordance with the Banks policy. The Bank offers ordinary loans, vehicle loans and mortgage loans to staff at a rate of 7% and 8% per annum respectively, in the average period of 9 years. The loans are initially recognised at fair value and the difference is taken to a prepaid employee expense which is included in other assets and is expensed over the term of the loan.

36. CAPITAL COMMITMENTS

As at 31 December 2025, the Bank had capital commitments of TZS 1,540 million (2024: TZS 3,479 million) in respect of equipment and information technology. The expenditure committed as at the end of reporting period but not yet incurred is as follows:

	2025	2024	2023
	TZS '000	**TZS '000**	**TZS '000**
Capital commitments	**1,540,866**	**3,478,750**	**12,336,100**

37. LEASES

See notes on financial risk management. Disclosure relating to lease commitments has been included in Note 4 (b), Liquidity risk.

		2025	2024	2023
(i)	**Lease liabilities**	**TZS'000**	**TZS'000**	**TZS'000**
	Expected to be settled within 12 months after the year end	3,190,152	394,864	1,516,616
	Expected to be settled more than 12 months after the year end	6,370,298	6,657,801	6,523,805
		9,560,450	**7,052,665**	**8,040,421**
	Payments of principal portion of the lease liability	1,750,905	1,604,813	1,266,048
	Interest paid on lease liabilities	984,131	807,961	250,569
	The total cash outflow for leases in the year	**2,735,036**	**2,412,774**	**1,516,617**
(ii)	**Lease liability movement**			
	Balance at 1 January	7,052,665	8,040,421	2,165,619
	Additions	3,119,601	2,005,444	7,116,817
	Interest expense	984,131	807,961	250,569
	Lease payments	(2,735,036)	(2,412,774)	(1,516,617)
	Modification of leases	1,274,253	-	(22,863)
	Lease liability disposal	-	(697,401)	-
	Translation difference	(135,164)	(690,986)	46,896
	Balance at 31 December	**9,560,450**	**7,052,665**	**8,040,421**
(iii)	**Maturity analysis**			
	Non-cancellable operating lease commitments			
	Less than one year	2,651,473	544,596	2,408,625
	Between one and five years	10,714,017	9,469,178	8,789,733
	Total undiscounted lease liability	**13,365,490**	**10,013,774**	**11,198,358**
(iv)	**Amounts recognised in profit or loss**			
	Interest on lease liabilities (Note 8)	984,131	807,961	250,569
	Depreciation of right to use asset (Note 20)	2,197,905	2,059,610	528,775
		3,182,036	**2,867,571**	**779,344**

***(v) Extension* and termination options**

Some leases of office premises contain extension and termination options exercisable by the Bank up to one term after the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension and/or termination options in new leases to provide operational flexibility. The extension options held are exercisable only by the bank and not by the lessors. Termination options held are exercisable by both the bank and the lessors. The Bank assesses at lease commencement date whether it is reasonably certain to exercise the extension or termination options. The Bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The bank has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of TZS 8.3 billion.

38. SUBSEQUENT EVENTS

Geopolitical Conflict in the Middle East (Strait of Hormuz)

Significant escalation in geopolitical tensions in the Middle East have contributed to heightened global market volatility. The situation remains fluid and the potential impact of these evolving circumstances including the possibility of higher fuel and logistics-related cost pressures, increased inflation uncertainty rates, and periods of foreign exchange and market volatility, associated with shifts in global risk sentiment, will be monitored and assessed into the year ahead. While the impacts to the company are yet to materialize, these developments arose after year-end and are considered non-adjusting events under IAS 10 Events after the Reporting Period. This development has not had any direct financial impact on I&M Bank (T) Limited up to the date of approval of these financial statements.

Given the Bank's lending activities in sectors reliant on imported fuel and raw materials, and its foreign currency denominated exposures, Management continues to monitor possible second-round effects on borrower cash flows, cost structures, and foreign exchange liquidity.

The event is treated as a non-adjusting subsequent event, and its future financial impact cannot be reliably quantified. The Bank remains well-capitalised and liquid, supported by its established risk management framework.

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affect the financial position of the Bank and results of its operations.

39. CORRECTION OF ERRORS

(i) Cash and cash equivalent

The Bank of Tanzania issued Circular No. 1, on 29 May 2019, which introduced new requirements for the Statutory Minimum Reserve. Under the updated regulations, banks must maintain at least 80% of the required SMR balance in their clearing account at the Bank of Tanzania on a daily basis, while ensuring that the average balance over the maintenance period meets 100% of the required SMR amount. This adjustment allows banks daily access to up to 20% of their SMR balance while still complying with the regulatory requirements.

In 2025, the bank corrected its accounting policy to remove 80% of the SMR balance from being accounted for as cash and cash equivalents in its financial statements.

(ii) Interest on long term borrowings

Interest paid on long-term borrowings was initially classified under financing activities. However, for consistency and for purposes of better presentation in line with the nature of the Bank's operations, it has been reclassified to operating activities.

The following tables summarizes the impacts of the correction of errors on the Bank's statement of cash flows. There was no impact on the statement of financial position and statement of profit or loss and other comprehensive income.

39. CORRECTION OF ERRORS (CONTINUED)

The revised policy has been adopted for the financial statements as at 31 December 2025, impacting the opening balance of cash and cash equivalents as follows.

Statement of cash flows 2024 TZS Millions	As previously reported TZS'000	Restatement adjustment TZS'000	As restated TZS'000
Profit before tax	**18,303,151**	-	**18,303,151**
*Other Items	52,379,528	(244,418)	52,135,110
Net change in Statutory Minimum Reserve	-	(2,430,553)	(2,430,553)
Net Cash used in operating activities	**70,682,679**	**(2,674,971)**	**68,007,708**
Net cash utilised in investing activities	**(5,542,107)**	**-**	**(5,542,107)**
*Interest on long term borrowings	(244,418)	244,418	-
Other Financing activities	(1,604,813)	-	(1,604,813)
Net cash generated from financing activities	**(1,849,231)**	**244,418**	**(1,604,813)**
Net increase/ (decrease) in cash and cash equivalent	**63,291,341**	**(2,430,553)**	**60,860,788**
Cash and cash equivalents beginning of period	85,530,851	(25,111,576)	60,419,275
Effect of exchange rate movements on cash held	(1,564,292)	-	(1,564,292)
Cash and cash equivalents at end of the year	**147,257,900**	**(27,542,129)**	**119,715,771**

40. ULTIMATE HOLDING COMPANY

The ultimate holding company of the Bank is I&M Group PLC which is incorporated in Kenya.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON FORECASTED FINANCIAL INFORMATION FOR THE 5 YEAR PERIOD FROM 31 DECEMBER 2026 TO 31 DECEMBER 2030

TO THE DIRECTORS OF I&M BANK (T) LIMITED

Introduction

We have undertaken a reasonable assurance engagement in respect of the prospective financial information of I&M Bank (T) Limited set out on pages 204 to 208, which comprise the forecasted statement of financial position as at 31 December 2026, 2027, 2028, 2029 and 31 December 2030 incorporating forecasted capital growth and the forecasted statement of comprehensive income, for the years then ending 31 December 2026, 2027, 2028, 2029 and 2030 (the "Forecasted Financial Information"), as required by the Capital Markets and Securities Act, Act, Cap.79 R.E (2002) as amended, and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

We have also undertaken a limited assurance engagement in respect of the assumptions used to prepare and present the Forecasted Financial Information, disclosed on pages 209 of the Forecasted Financial Information as required by the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

Directors' responsibility for the Forecasted Financial Information and for the assumptions used to prepare the Forecasted Financial Information

The Directors are responsible for the preparation and presentation of the Forecasted Financial Information and for the reasonableness of the assumptions used to prepare the Forecasted Financial Information as set out on page 209 to the Forecasted Financial Information in accordance with the requirements of the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Forecasted Financial Information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Actual results are likely to be different from the Forecasted Financial Information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, users of the information are cautioned that the Forecasted Financial Information may not be appropriate for purposes other than listing of the Corporate Bond Public Offer(s).

Firm's Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON FORECASTED FINANCIAL INFORMATION TO THE DIRECTORS OF I&M BANK (T) LIMITED (CONTINUED)

Auditax International applies International Standard on International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Section I – Limited assurance engagement on the reasonableness of the Directors' assumptions

Reporting Accountant's responsibility
Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations", based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the Directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumption and agreeing or reconciling with underlying records.

Our procedures included evaluating the Directors' best-estimate assumptions on which the Forecasted Financial Information is based for reasonableness.
The procedures performed in a limited assurance engagement are less in extent than for, and vary in nature from, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information.

Limited assurance conclusion on the reasonableness of the Directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Directors' assumptions do not provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information in accordance with

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON FORECASTED FINANCIAL INFORMATION TO THE DIRECTORS OF I&M BANK (T) LIMITED (CONTINUED)

the requirements of the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

Limited assurance conclusion on the reasonableness of the Directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Directors' assumptions do not provide a reasonable basis for the preparation and presentation of the Forecasted Financial Information in accordance with the requirements of the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations"

Section II – Reasonable assurance engagement on the Forecasted Financial Information

Reporting Accountant's responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the Forecasted Financial Information is properly prepared and presented on the basis of the Directors' assumptions disclosed on page 209 to the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such Forecasted Information is properly prepared and presented on the basis of the Directors' assumptions disclosed on page 209 to the Forecasted Financial Information in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations".

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the Forecasted Financial Information is properly prepared and presented on the basis of the assumptions and in accordance with the Capital Markets and Securities Act, Cap.79 R.E (2002) as amended and subject to the Laws of Tanzania and the requirements of Part III, Section 13 of the Capital Markets and Securities (Prospectus Requirements) Regulations of Tanzania and Part V of the Dar es Salaam Stock Exchange Plc Rules, 2022, hereafter referred to as the "Regulations". The nature, timing and extent of procedures selected depend on the reporting accountant's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecasted information. In making those risk assessments, we considered internal control relevant to the Bank's preparation and presentation of the Forecasted Financial Information.

Our procedures included inspecting whether:

- the presentation of prospective financial information is informative and not misleading;
- the forecasted financial information is properly prepared on the basis of the assumptions;

- the forecasted financial information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- the forecasted statement of financial position as at 31 December 2026, 2027, 2028,2029 and 31 December 2030 and statement of comprehensive income for the years then ending 31 December 2026, 2027, 2028, 2029 and 31 December 2030 are prepared on a consistent basis with the historical financial statements, using appropriate accounting policies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the Forecasted Financial Information

In our opinion, the forecasted financial information for the years ended 31 December 2026,2027, 2028, 2029 and 31 December 2030 is properly prepared and presented on the basis of the assumptions disclosed on page 208.

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House, 3rd Floor, Coca Cola Road,
P.O. Box 77949, Dar es Salaam, Tanzania

………………
Signed by: CPA Khalfani Mbwambo
Date: 30th April 2026

FORECASTED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDING 31 DECEMBER 2026, 2027, 2028, 2029 AND 31 DECEMBER 2030

Profit & Loss	Projections					Growth Rate				
	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000					
Interest on loans & overdraft										
On Loans & Advances_LCY	41,885,078	54,660,240	66,383,036	79,783,173	95,814,277	16.19%	30.50%	21.45%	20.19%	20.09%
Kamilisha LCY loans	52,973,154	60,919,128	77,976,483	93,571,780	110,414,700					
On Loans & Advances_FCY	43,190,739	46,746,745	52,985,125	60,456,263	69,415,522					
Less: - Suspended Interest	*(1,088,831)*	*(1,143,272)*	*(5,074,193)*	*(5,226,418)*	*(5,327,902)*					
Interest on loans & overdraft	**136,960,140**	**161,182,840**	**192,270,453**	**228,584,797**	**270,316,597**	**29.64%**	**17.69%**	**19.29%**	**18.89%**	**18.26%**
Government securities (Treasury bills)	1,787,492	2,396,563	3,444,011	4,508,882	5,563,866					
Government securities (Treasury bonds)	19,784,556	24,446,687	29,249,376	34,715,232	42,442,571					
On Placements	2,135,600	2,540,535	3,363,571	-	-					
Total Interest Income	**160,667,789**	**190,566,626**	**228,327,411**	**267,808,911**	**318,323,035**	**30.57%**	**18.61%**	**19.82%**	**17.29%**	**18.86%**
Interest Expense										
On Bank Deposits - LCY	858,414	1,038,681	1,494,281	1,929,429	2,167,713					
On Bank Deposits - FCY	-	383,619	626,983	914,122	1,027,016					
On Low Cost Deposits - LCY	4,022,243	5,169,607	6,511,778	8,255,228	10,447,365					
On Low Cost Deposits - FCY	3,479,365	4,444,986	5,665,178	7,202,739	9,157,861					
On High Cost Deposits - LCY	16,553,890	20,265,851	23,666,381	27,362,426	32,238,516					
On High Cost Deposits - FCY	13,869,497	17,651,437	22,131,807	27,949,078	35,517,429					
On Long term debts_FMO II	2,007,778	1,610,208	1,202,656	755,719	310,177					
On Long term debts_TMRC	701,435	243,750	243,750	243,750	243,750					
On Long term debts_Corporate Bond	1,625,000	5,687,500	8,125,000	11,375,000	13,000,000					
Other Interest Exp_IFRS 16	737,568	884,534	811,325	972,988	892,457					
Interest Expense	**43,855,190**	**57,380,174**	**70,479,140**	**86,960,479**	**105,002,285**	**23.82%**	**30.84%**	**22.83%**	**23.38%**	**20.75%**
Net Interest Income	**116,812,599**	**133,186,452**	**157,848,271**	**180,848,432**	**213,320,750**	**33.30%**	**14.02%**	**18.52%**	**14.57%**	**17.96%**
FX Income (Trading P&L & Rev P&L)	11,579,004	15,759,024	21,463,791	29,255,147	39,904,021					
Commission on transfers (TT,Swift,TISS)	2,443,202	2,711,954	2,211,039	2,610,013	3,107,070					
Commitment fees	1,701,847	1,974,142	2,309,746	2,725,500	3,243,345					
Comm. on LCs	483,205	608,838	773,224	989,727	1,276,748					
Commission on BG	1,039,157	1,205,422	1,410,344	1,664,206	1,980,405					
Commission on Ledger fees	1,443,419	1,833,142	2,346,421	3,026,884	3,934,949					
Commission on cards (atm & prepaid cards)	2,069,574	3,207,840	5,132,543	8,212,070	13,139,311					
Commission on cheque book issued	92,005	97,525	104,352	112,700	122,843					
Gain/Loss on bond trading	73,246	86,796	103,721	124,984	151,856					
Bancassurance Commission	262,292	293,767	331,956	378,430	435,195					
Custodial Income	221,126	243,239	279,725	321,684	369,936					

FORECASTED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDING 31 DECEMBER 2026, 2027, 2028, 2029 AND 31 DECEMBER 2030 (CONTINUED)

Profit & Loss (Continued)	Projections					Growth Rate				
	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000					
Other commissions	1,057,967	1,375,357	1,925,500	2,695,699	3,773,979					
Income Concessions	(187,364)	(196,733)	(206,569)	(216,898)	(227,743)					
Recoveries from w/offs	8,228,122	8,639,528	9,071,504	9,525,080	10,001,334					
Total Non Interest Income	**30,506,799**	**37,839,841**	**47,257,298**	**61,425,226**	**81,213,250**	**12.60%**	**24.04%**	**24.89%**	**29.98%**	**32.21%**
Net Financial Revenue	**147,319,399**	**171,026,293**	**205,105,570**	**242,273,659**	**294,534,000**	**28.41%**	**16.09%**	**19.93%**	**18.12%**	**21.57%**
Staff costs	31,183,656	35,551,328	43,749,598	51,798,026	62,807,401	33.14%	14.01%	23.06%	18.40%	21.25%
Training Costs	500,000	535,000	561,750	589,838	619,329					
Insurance costs	1,654,823	1,911,321	2,045,113	2,188,271	2,341,450					
Marketing & Publicity Costs	1,247,674	2,333,283	2,694,942	3,112,658	3,595,120					
License, AMCs, Internet, Network and Hosting Costs	4,625,862	5,111,578	5,673,851	6,326,344	7,085,506					
Professional Services	826,062	916,929	1,017,791	1,134,837	1,271,018					
Management fees	1,772,191	1,931,688	2,163,491	2,423,110	2,713,883					
Occupancy costs (Rent, utilities, security)	1,367,479	1,490,552	1,624,702	1,770,925	1,930,308					
Travel and accommodation	627,376	941,063	1,035,170	1,138,687	1,252,555					
Directors fees and salaries	728,252	801,077	1,201,616	1,802,424	2,703,636					
Leased equipment and Data Centre	291,159	308,628	339,491	373,440	410,785					
Swift Charges	748,734	902,224	956,358	1,013,739	1,074,563					
Kamilisha expenses	22,868,561	25,442,274	30,657,940	36,942,817	44,516,095					
Card related expenses	2,383,801	2,860,562	3,518,491	4,433,298	5,718,955					
Depreciation PPE	5,338,691	5,872,560	7,047,072	8,456,486	10,147,783					
Other expenses	3,628,534	3,391,387	3,730,526	4,103,578	4,513,936					
Opex-Group Initiative	2,950,000	2,979,500	3,128,475	3,441,323	3,785,455					
Total Expense	**82,242,855**	**92,745,954**	**110,584,627**	**130,459,964**	**155,868,449**	**30.38%**	**12.77%**	**19.23%**	**17.97%**	**19.48%**
Profit Before Credit Impairment	**65,076,543**	**78,280,339**	**94,520,943**	**111,813,694**	**138,665,551**	**26.01%**	**20.29%**	**20.75%**	**18.30%**	**24.01%**
Impairments	(12,508,229)	(17,766,431)	(23,174,449)	(25,174,449)	(35,174,449)					
Pool Provisions	(7,200,000)	(7,200,000)	(7,200,000)	(7,200,000)	(7,200,000)					
Kamilisha Provisions	(20,383,924)	(21,050,384)	(22,931,682)	(25,931,682)	(27,931,682)					
Profit Before Tax	**24,984,391**	**32,263,523**	**41,214,812**	**53,507,564**	**68,359,420**	**24.58%**	**29.13%**	**27.74%**	**29.83%**	**27.76%**
Tax	(7,495,317)	(9,679,057)	(12,364,444)	(16,052,269)	(20,507,826)					
Profit After Tax	**17,489,074**	**22,584,466**	**28,850,369**	**37,455,295**	**47,851,594**	**24.58%**	**29.13%**	**27.74%**	**29.83%**	**27.76%**
Dividend Payout	-	(11,292,233)	(14,425,184)	(18,727,647)	(23,925,797)					

Profit Retained	**17,489,074**	**11,292,233**	**14,425,184**	**18,727,647**	**23,925,797**	**24.58%**	**-35.43%**	**27.74%**	**29.83%**	**27.76%**

FORECASTED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026,2027,2028, 2029 AND 31 DECEMBER 2030

BALANCE SHEET			Projections					Growth Rate		
	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000					
Assets										
Cash in hand	14,542,647	16,926,441	17,466,753	22,803,953	23,888,531					
Balance with Bank of Tanzania	84,194,270	89,086,530	104,800,516	144,723,988	145,087,461					
Balance due to other Banks	39,820,521	51,766,677	55,390,344	43,809,476	49,338,054					
Placements	43,753,764	45,941,452	45,941,452	48,697,939	54,541,692					
Total cash resources	**182,311,200**	**203,721,099**	**223,599,064**	**260,035,357**	**272,855,738**	**-5.6%**	**11.7%**	**9.8%**	**16.3%**	**4.9%**
Government securities (Treasury bills)	22,067,800	30,894,920	44,797,634	53,757,161	67,196,451					
Government securities (Treasury bonds)	172,951,450	207,541,740	245,936,962	290,205,615	362,757,019					
Total Government Security	**195,019,250**	**238,436,660**	**290,734,596**	**343,962,776**	**429,953,470**	**26.8%**	**22.3%**	**21.9%**	**18.3%**	**25.0%**
Investment in Equity	1,013,750	1,013,750	1,013,750	1,013,750	1,013,750					
Loans and Advances in - LCY	264,987,226	325,934,288	387,861,802	465,434,163	553,866,654					
Loans and Advances in - FCY	352,682,314	408,229,778	473,546,543	552,865,589	646,852,739					
Kamilisha OD LCY	21,736,717	25,214,592	29,501,073	33,926,234	39,015,169					
Gross Loans & Advances	**639,406,257**	**759,378,658**	**890,909,418**	**1,052,225,985**	**1,239,734,561**	**18.6%**	**18.8%**	**17.3%**	**18.1%**	**17.8%**
Less: Credit Impairment	(41,989,419)	(44,928,679)	(52,566,554)	(59,925,872)	(68,315,494)					
Net Loans & Advances	**597,416,838**	**714,449,979**	**838,342,864**	**992,300,113**	**1,171,419,068**	**19.3%**	**19.6%**	**17.3%**	**18.4%**	**18.1%**
Other Assets	14,912,516	16,403,767	16,403,762	18,044,139	19,848,553					
Lease Asset (Right of Use Assets)	9,389,710	10,798,166	11,877,983	13,659,680	15,708,632					
Fixed Assets	11,074,233	10,735,542	9,862,983	7,815,911	4,359,425					
Deferred tax asset	11,147,417	11,673,936	12,027,646	13,805,045	15,991,839					
Intangible assets	10,696,496	13,370,621	14,707,683	15,443,067	16,215,220					
Total Assets	**1,032,981,410**	**1,220,603,521**	**1,418,570,330**	**1,666,079,838**	**1,947,365,695**	**15.9%**	**18.2%**	**16.2%**	**17.4%**	**16.9%**
Liabilities										
Balances due to other Banks - LCY	18,700,000	20,570,000	27,656,709	33,374,385	35,043,104					
Balances due to other Banks - FCY	-	11,395,756	17,406,652	23,718,094	24,903,999					
Customer Deposits	**765,402,451**	**890,865,297**	**1,027,456,035**	**1,200,208,054**	**1,405,207,715**	**13.3%**	**16.4%**	**15.3%**	**16.8%**	**17.1%**
Low Cost Deposit s - LCY	137,071,252	160,374,504	189,785,098	225,084,647	265,603,597	**16.7%**	**17.0%**	**18.3%**	**18.6%**	**18.0%**
Low Cost Deposit s - FCY	146,937,646	176,334,035	208,724,819	248,813,468	294,862,358					
High Cost Deposits - LCY	177,937,847	199,592,918	212,443,467	232,776,406	257,466,366					
High Cost Deposits - FCY	303,455,707	354,563,839	416,502,650	493,533,533	587,275,394					
Total Deposits	**784,102,451**	**922,831,052**	**1,072,519,396**	**1,257,300,533**	**1,465,154,818**					
Interest payable	13,525,702	15,479,470	15,934,733	19,545,324	27,747,610					
Other Liabilities	11,097,046	17,841,580	19,625,738	22,875,086	27,115,181					

Lease liability (right of use of assets)	11,188,426	16,782,639	25,173,959	37,760,938	56,641,407
Tax Payable	3,208,846	5,134,153	8,214,645	13,095,761	20,985,651

FORECASTED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2026,2027,2028, 2029 AND 31 DECEMBER 2030 (CONTINUED)

BALANCE SHEET (CONTINUED)			Projections					Growth Rate		
	Dec-26 TZS'000	Dec-27 TZS'000	Dec-28 TZS'000	Dec-29 TZS'000	Dec-30 TZS'000	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Long term borrowings	**51,218,750**	**72,572,500**	**92,681,875**	**112,318,625**	**106,972,125**					
Proposed long term borrowings	22,968,750	19,322,500	14,431,875	9,068,625	3,722,125					
TMRC_Long term loan	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000					
Corporate Bond	25,000,000	50,000,000	75,000,000	100,000,000	100,000,000					
Shareholders Funds	**158,640,190**	**169,962,126**	**184,419,984**	**203,183,571**	**242,748,903**	**7.8%**	**7.1%**	**8.5%**	**10.2%**	**19.5%**
Share Capital	37,304,016	37,304,016	37,304,016	37,304,016	37,304,016					
Share Premium	31,528,228	31,528,228	31,528,228	31,528,228	31,528,228					
Capital Injection					15,600,000					
Retained income	78,040,255	89,510,918	100,803,151	115,228,335	133,955,983					
Statutory Provision	-	-	-	-	-					
General Reserve	-	-	-	-	-					
Other Reserves	297,029	326,731	359,405	395,345	434,880					
YTD Profit	17,489,074	22,584,466	28,850,369	37,455,295	47,851,594					
Proposed Dividend	(6,018,411)	(11,292,233)	(14,425,184)	(18,727,647)	(23,925,797)					
Total Equity & Liabilities	**1,032,981,411**	**1,220,603,521**	**1,418,570,330**	**1,666,079,838**	**1,947,365,695**	**15.9%**	**18.2%**	**16.2%**	**17.4%**	**16.9%**

FORECASTED STATEMENT OF CASHFLOWS
FOR THE SUBSEQUENT 12 MONTHS FOLLOWING THE ISSUE

	Dec-26 TZS'000	Dec-27 TZS'000
Cash flows from Operating activities		
Profit before tax	24,984,391	32,263,523
Depreciation and amortisation	5,338,691	5,872,560
Impairment charge on loans and advances	40,092,153	46,016,816
Increase in loans and advances to customers	(69,440,779)	(117,033,142)
Increase in due from group companies	1,995,982	(2,271,439)
Increase in other assets	6,827,368	(1,491,252)
Increase in deposits from banks	(58,583,950)	13,265,756
Increase in deposits from customers	89,493,786	120,559,794
Increase in due to group companies	8,774,255	6,856,819
Increase in other liabilities	(6,026,501)	6,744,535
Current tax expense	14,713	10,205,576
Income tax paid	3,194,132	(8,280,268)
Operating cash flow before forecast reconciliation	**46,649,529**	**102,503,703**
Other operating movements / forecast reconciliation	(52,106,209)	(57,279,346)
Net cash generated from operating activities	**(5,456,680)**	**45,224,356**
Purchase of government securities	(46,475,646)	(43,417,410)
Purchase of equity investments	-	-
Purchase of PPE and intangible assets	(16,195,662)	(9,616,450)
Net cash used in investing activities	**(62,671,308)**	**(53,033,860)**
Net movement in corporate bond	25,000,000	25,000,000
Net movement in long-term debt	10,047,570	(3,646,250)
Net movement in lease liabilities	1,627,976	5,594,213
Proceeds from issue of share capital and premium	-	-
Dividends paid	-	-
Net cash generated from financing activities	**36,675,546**	**26,947,963**
Net increase/(decrease) in cash and cash equivalents	**(31,452,441)**	**19,138,460**
Cash and cash equivalents at beginning of year	**205,931,409**	**174,478,968**
Cash and cash equivalents at end of year	**174,478,968**	**193,617,427**

ASSUMPTIONS APPLIED IN THE PREPARATION OF THE FORECASTED FINANCIAL INFORMATION

The forecasted financial information is based on the following key assumptions;

Macroeconomic Environment Assumptions

a. **GDP Growth**: The projections assume an average annual GDP growth rate of approximately 6-7%, consistent with recent trends and government targets. This supports the bank's asset and loan growth assumptions.

b. **Inflation**: Inflation is assumed to remain within the 3-5% range, ensuring predictable costs and interest rate stability, which influences loan pricing and deposit rates.

c. **Interest Rates:** The forecast presumes a gradual increase in benchmark interest rates, aligned with inflation targets and monetary policy stance, impacting net interest income (NII) and treasury yields.

d. **Exchange Rates:** The projections assume limited volatility in the Tanzanian shilling (TZS) against major currencies, with FX income contributing steadily to non-interest income streams.

e. **Government Securities:** Growth in government securities holdings is based on anticipated fiscal policy and debt issuance plans, supporting liquidity and asset diversification.

f. **Internal Assumptions**

- **Loan Growth:** The forecast assumes a CAGR of approximately 17-18% in gross loans, supported by expanding credit demand, digital lending platforms, and targeted sector growth, particularly in trade finance and retail banking.

- **Deposit Growth:** Customer deposits are projected to grow at a similar rate, driven by increased customer base, product innovation, and retention strategies, with a focus on low-cost deposits to improve net interest margins.

- **Cost Management:** Operating expenses are expected to rise due to staff expansion, technology investments, and compliance costs. However, efficiency initiatives are assumed to contain cost-to-income ratios within the 54-55% range.

- **Capital Planning:** The capital buffer is projected to tighten from 2028, assuming continued asset growth and risk-weighted asset (RWA) expansion. The planned capital injection in 2030 aims to maintain regulatory compliance and buffer adequacy.

- **MTN 2026-2029 programme:** The forecast assumes that the corporate bond issuance under the Medium-Term Note (MTN) Programme will be executed in annual tranches between 2026 and 2029, with TZS 25 billion to be raised each year, amounting to a total issuance of TZS 100 billion, at an assumed average interest rate of 13% per annum.

The forecast assumptions are grounded in a stable macroeconomic outlook, strategic growth initiatives, and prudent risk management. However, the projections are sensitive to macroeconomic shocks, regulatory changes, and internal execution risks. Continuous monitoring and scenario analysis are essential to ensure resilience and alignment with strategic objectives.

Head Office - Dar es Salaam: Auditax House, 3rd Floor| Coca-Cola Road
P.O. Box 77949, Dar es Salaam
M: +255 719 878490 | T: +255 22 212 692
Email: info@auditaxinternational.co.tz
Website: www.auditaxinternational.co.tz

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF I&M BANK (T) LIMITED ON FINANCIAL RATIOS PREPARED BASED ON GUIDELINES FOR THE ISSUE OF CORPORATE BONDS, MUNICIPAL BONDS AND COMMERCIAL PAPERS ISSUED BY THE CAPITAL MARKETS AND SECURITIES AUTHORITY - TANZANIA (CMSA), 2019

We were engaged by the board of directors of I&M Bank (T) Limited to report on the Bank's historical financial ratios as at and for the years ended 31 December 2025, 31 December 2024 and 31 December 2023 set out on pages 212 to 215 prepared based on the guidelines for the issue of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that Bank's historical financial ratios have not been properly prepared, based on the guidance provided under Annex 1 : Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019.

Responsibilities of the Directors

The Directors are responsible for the preparation and presentation of the historical financial ratios in accordance with the guidance provided under *Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019.*

Practitioner's Responsibilities

Our responsibility is to examine the historical financial ratios and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the historical financial ratios are prepared per the requirements of *Annex 1: Financial ratios, in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019* in all material respects, as the basis for our limited assurance conclusion. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The procedures selected depend on our understanding of the historical financial ratios and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

AUDITAX International

Head Office - Dar es Salaam: Auditax House, 3rd Floor| Coca-Cola Road
P.O. Box 77949, Dar es Salaam
M: +255 719 878490 | T: +255 22 212 692
Email: info@auditaxinternational.co.tz
Website: www.auditaxinternational.co.tz

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying historical financial ratios of I&M Bank (T) Limited have not been properly prepared in all material respects, based on the requirements of *Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the CMSA, 2019*. The historical financial ratios have been prepared for inclusion in a prospectus for the purpose of listing Medium Term Notes, and may therefore, not be appropriate for another purpose.

The I&M Bank (T) Limited has demonstrated strong profitability and maintains an adequate liquidity position, indicating the ability to meet its short-term obligations in the normal course of business. While leverage has increased over the review period, it remains within manageable levels.

The Issuer's debt servicing capacity is currently adequate, supported by operating earnings and cash flows. However, some variability in cash flow generation and moderate interest coverage indicate that continued ability to service debt obligations will depend on the Issuer's capacity to sustain stable earnings and cash flows.

For and on behalf of:

Auditax International,
Certified Public Accountants (T)
Auditax House,
3rd Floor, Coca Cola Road,
P.O. Box 77949, Dar es Salaam, Tanzania

…………………………………

Signed by: CPA Khalfani Mbwambo
Date: 30th April 2026

FINANCIAL RATIOS
FOR THE YEARS ENDED 31 DECEMBER 2025, 31 DECEMBER 2024 AND 31 DECEMBER 2023

	Ratio	Formula	Results 2025	2024	2023
i)	Earnings before interest and taxes (EBIT) interest cover	(EBIT for the period) / (Interest payable for the period + any preference dividend payable for the period)	1.61	1.59	1.21
ii)	Operating cash flow to total debt percentage	(funds generated from Operations in the period) x 100% / (Average total debt during the period)	4.90%	10.51%	1.22%
iii)	Free Cash flow to total debt percentage	(free cash flows for the period) x100% / (Average total debt during the period)	4.93%	9.66%	0.92%
iv)	Total free cash flow to total short term debt obligations	(total uncommitted cash flows for the period) x 100% / (total short-term debt obligations at the end of the period)	30%	30%	16%
v)	Net profit margin	(net profit for the period x 100% / (total sales for the period)	16.93%	17.01%	7.95%
vi)	Post-tax return	(Profit after tax but before Financing costs for the period) X100% / (Average Capital employed for the period)	38%	40%	29%
vii)	Long-term debt to capital employed ratio	(average long- term debt outstanding during the period) / (average equity + average long- term debt for the period)	0.07	0.03	0.08
viii)	Total debt to equity ratio	(average short-term debt outstanding+ average long term debt outstanding during the period) / (average equity for the period)	0.56	0.40	0.34
ix)	Funds from operations to debt Percentage	(funds generated from operations In the period) x 100% / (Average total debt during the period)	46%	151%	21%
x)	Free cash flow to debt repayment cover	(free cash flow for the period) / (Interest payable + preference dividend+ principal repaid during the period)	81.36	2,386.37	0.51
xi)	Liquid Asset Ratio	Liquid Assets / Over specified liability (All types of deposits + Borrowings)	114%	111%	111%

NOTES TO THE FINANCIAL RATIOS
FOR THE YEARS ENDED 31 DECEMBER 2025, 31 DECEMBER 2024 AND 31 DECEMBER 2023

1. Financial information used for computation of the ratios

The financial ratios have been computed based on historical financial information extracted from the annual audited financial statements of I&M Bank (T) Limited as at and for the years ended 31 December 2025, 2024 and 2023.

2. Basis for computation of the ratios

The ratios have been computed based on the guidance provided under Annex 1: Financial ratios, included in the Guidelines for the issuance of corporate bonds, municipal bonds and commercial papers issued by the Capital Markets and Securities Act (CMSA), 2019.

3. Computation of ratios

		2025	2024	2023
a	**Earnings before interest and Tax (EBIT) interest cover**			
	Earnings before interest and Tax	**TZS'000**	**TZS'000**	**TZS'000**
	Profit before income tax	22,144,317	18,303,151	5,358,522
	Add: Interest expense	36,037,504	31,155,661	25,381,444
	EBIT	58,181,821	49,458,812	30,739,966
	Interest expense	36,037,504	31,155,661	25,381,444
	EBIT interest cover	**1.61**	**1.59**	**1.21**
b	**Operating cash flow to total debt percentage**			
	Funds generated from operations (net cash generated from/used in operating activities)	35,525,485	68,007,708	6,893,854
	Average total debt			
	Borrowings at start of the year	667,643,134	625,953,921	501,879,064
	Borrowings at the end of the year	783,675,691	667,643,134	625,953,921
	Average total debt	**725,659,413**	**646,798,528**	**563,916,493**
	Operating cashflow to total debt	**4.90%**	**10.51%**	**1.22%**
c	**Free cash flow to total Debt percentage (debt repayment cover)**			
	Free cash flow for the period			
	Cash generated from/used in operating activities	35,525,485	68,007,708	6,893,854
	Dividend Received	10,310	22,556	20,756
	Purchase of Fixed Assets	(1,449,450)	(4,086,202)	(183,060)
	Purchase of intangible assets	(2,239,409)	(1,478,461)	(1,520,995)
	Proceeds from Sale of Fixed Assets	9,507	-	-
	Free cash flow	**31,856,443**	**62,465,601**	**5,210,555**
	Average total debt (refer to B)	725,659,413	646,798,528	563,916,493
	Free cash flow to total Debt (debt repayment cover)	**4.39%**	**9.66%**	**0.92%**

d	**Total free cash flow to total short-term debt obligations**			
	Uncommitted cash flows			
	Free cash flow (refer to C above)	31,856,443	62,465,601	5,210,555
	Cash and cash equivalents at the end of the year	174,491,313	119,715,771	85,530,851
	Total uncommitted cash flows	**206,347,756**	**182,181,372**	**90,741,406**
	Short term debt obligations at the end of the period	675,029,056	606,451,719	582,138,540
	Total free cash flow to total short-term debt obligations	**31%**	**30%**	**16%**
e	**Net profit margin**			
	Net Profit for the period	20,061,370	15,163,690	4,767,837
	Total income	118,512,540	89,119,901	60,003,454
	Net profit margin	16.93%	17.015%	7.95%
f	**Post-tax return (before financing) on Capital Employed**			
	Profit after tax before financing costs for the period			
	Profit after tax	20,061,370	15,163,690	4,767,837
	Interest expense	36,037,504	31,155,661	25,381,444
		56,098,874	46,319,351	30,149,281
	Average capital employed			
	Capital employed as at start of the year			
	Shareholders' equity	119,753,803	104,605,857	85,687,406
	Long-term debt	3,276,176	3,276,176	12,857,355
		123,029,979	107,882,033	98,544,761
	Capital employed as at the end of the year			
	Shareholders' equity	153,615,173	119,753,803	104,605,857
	Long-term debt	16,171,180	3,276,176	3,276,176
		169,786,353	123,029,979	107,882,033
	Average capital employed (simple average)	146,408,166	115,456,006	103,213,397
	Post-tax return (before financing) on Capital Employed	**38%**	**40%**	**29%**
g	**Long Term Debt to Capital Employed**			
	Average long-term debt	9,723,678	3,276,176	8,066,766
	Average capital employed (refer to F)	146,408,166	115,456,006	103,213,397
	Long Term Debt to Capital Employed	**0.07**	**0.03**	**0.08**
h	**Total Debt to Equity**			
	Average short-term debt outstanding + average long-term debt outstanding during the period	76,612,468	44,956,855	32,640,494
	Average equity for the period	136,684,488	112,179,830	95,146,632
	Total Debt to Equity	**0.56**	**0.40**	**0.34**

3. Computation of ratios (Continued)

i	**Funds from operations to debt percentage**			
	Funds generated from operations in the period	35,525,485	68,007,708	6,893,854
	Average total long-term debt during the period (refer to H above)	153,224,935	89,913,710	65,280,987
	Funds from operations to debt percentage	**23%**	**76%**	**11%**
j	**Free cash flow to debt repayment cover**			
	Free cash flow for the period (refer to C)	31,856,443	62,465,601	5,210,555
	Interest payable + preference dividend+ principal repaid during the period	391,529	26,176.00	780,446
	Free cash flow to debt repayment cover	**81.36**	**2,386.37**	**6.68**
h	**Liquid Asset Ratio**			
	Liquid Assets	892,279,287	757,683,609	701,845,760
	Over specified liability (All types of deposits + Borrowings)	784,178,057	680,934,743	631,984,556
	Liquid Asset Ratio	**114%**	**111%**	**111%**

13 APPENDICES

13.1 APPENDIX I: DSE LICENSED DEALING MEMBERS

1.	**iTrust Finance Limited**	**2.**	**CRDB BANK Plc**
	Block C, 429 Mahando Street, Masaki		26 Ali Hassan Mwinyi Rd, Plot No 25
	P.O. Box 105678, Dar es Salaam		P.O. Box 268, Dar es Salaam
	Tel: +255 659 071777		Tel: +255 22 129412
	Website: www.itrust.co.tz		Website: www.crdbbank.co.tz
3.	**Solomon Stockbrokers Limited**	**4.**	**Zan Securities Limited**
	Ground Floor-PPF House, Samora Avenue		1st floor, VIVA Towers, Ali Hassan Mwinyi Road
	P.O. Box 77049, Dar es Salaam		P.O. Box 5366, Dar es salaam
	Mob: +255 714 269090, +255 764 269090		Tel: +255 22 2103433
	E-mail: info@solomon.co.tz		E-mail: info.dsm@zansec.co.tz
	Website: www.solomon.co.tz		Website: zansec.co.tz
5.	**TIB Rasilimali Limited**	**6.**	**Tanzania Securities Limited**
	Building No 3, Mlimani City Park		Alfa Plaza, 2nd Floor, 201
	P.O. Box 9154, Dar es Salaam		P.O. Box 9821, Dar es Salaam
	Mob: +255 754 232 035		Mob: +255 718 799 997
	E-mail: invest@rasilimali.tib.co.tz		E-mail: info@tanzaniasecurities.co.tz
	Website: www.tib.co.tz		Website: tanzaniasecuities.co.tz
7.	**Vertex International Securities Ltd**	**8.**	**E.A. Capital Limited.**
	Annex Building – Zambia High Commission, Sokoine Drive/Ohio Street		3rd Floor, Acacia Estates 84 Kinondoni Rd
	P.O. Box 13412, Dar es Salaam		P.O. Box 20650, Dar Es Salaam.
	Tel: 255 22 2116382 Fax: 255 22 2110387		Tel: +255 769 257511
	E-mail: vertex@vertex.co.tz,		Email: ck@eacapital-tz.com
9.	**Core Securities Ltd**	**10.**	**Orbit Securities Company Limited**
	Mezzanine Floor, Diplomat House		4th Floor, Golden Jubilee Towers, Ohio Street
	P.O. Box 76800, Dar es Salaam.		P.O. Box 70254, Dar es Salaam
	Mobile: +255 22 2123103, Fax: +255 22 2122562		Tel: 255 22 2111758, Fax: 255 22 2113067
	E-mail: info@coresecurities.co.tz		E-mail: orbit@orbit.co.tz
	Website: http://www.coresecurities.co.tz		Website: orbit.co.tz

11.	Victory Financial Services Limited	12.	Exodus Advisory Services Limited
	ATC HOUSE, Ohio Street/Garden Avenue, Dar es Salaam		10th Floor, Mwanga Tower, New Bagamoyo Road
	Phone: +255 22 2138607		P.O. Box 80056, Dar es Salaam.
	Email: info@vfsl.co.tz		Tel: +255 222923810/ 733 701 514
	Website: vfsl.co.tz		Email: info@exodusadvisory.co.tz
13.	**FIMCO LTD**	**14.**	**Global Alpha Capital Ltd**
	Alfa Plaza, 2nd Floor,		PSSSF Millenium Tower1,
	Ali Hassan Mwinyi Road		Ali Hassan Mwinyi Road
	P.O. Box 70468, Dar es Salaam.		P.O. Box 70166, Dar es Salaam
	Tel: +255 22 292 6227		Tel: +255 762 367 347
	Email: info@fimco.co.tz		Email: info@alphacapital.co.tz
	Website: fimco.co.tz		Website: www.alphacapital.co.tz
15.	**Kadoo Securities**	**16.**	**Lase Securities Limited**
	University Road, 9th Floor, Sky City Mall		Samora Avenue,
	P.O Box 54618, Dar Es Salaam		Plot No. 582, Block 9
	Tel: +255 763 889 000		P.O. Box 19630, Dar es Salaam
	info@kadoosecurities.co.tz		Tel: +255 715 484 560
	www.kadoosecurities.co.tz		
17.	**Optima Corporate Finance Limited**	**18.**	**Smart Stockbrokers Limited**
	Kinondoni Road, 1st Floor, Togo Tower		5th Floor, Exchange Tower, Morocco Square
	P.O. Box 4441, Dar Es Salaam		Dar es Salaam
	Tel: +255 22 266 6031		Phone: +255 651 358 368
	Website: www.optimacorporate.co.tz		Email: info@smartstockbrokers.co.tz
19.	**Wealth Capital Fund Limited**	**20.**	**Diamond Global Securities Limited**
	Plot No. 20 & 21, 9th Floor, Garden Avenue Tower, Ohio Street.		Nexus Building, 2nd floor, Victoria-Bagamoyo road.
	P.O. Box 22337, Dar Es Salaam		P.O. Box 79271, Dar es Salaam
	Tel: +255 717 442 155		Phone: +255 791 228 239
	Website: www.wealthcapitalfund.co.tz		Email: info@diamondsecurities.co.tz
	Email: info@wealthcapitalfund.co.tz		
21.	**Fortune Securities Limited**	**22.**	**Africa Pension Fund (APeF) Limited**
	Noble Center, Victoria, 6th floor,		Plot No. 153, Haile Selassie Road
	P.O. Box 3852, Dar es Salaam		P.O. Box 6422, Dar es Salaam
	Tel: +255 799 559 559		Tel: +255 22 2600166
	Website: https://fortunesec.co.tz		Website: apef@apef.co.tz
	Email: info@fortunesec.co.tz		Email: info@fortunesec.co.tz

13.2 APPENDIX II: PRICING SUPPLEMENT

I&M HATUA BOND TRANCHE 1

PRICING SUPPLEMENT

ISSUE OF TZS 20 BILLION FIXED RATE NOTE WITH GREENSHOE OPTION OF TZS 5 BILLION UNDER THE TZS 100 BILLION MULTICURRENCY MEDIUM TERM NOTE PROGRAMME

This document constitutes the applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall have the same meaning ascribed to them in the Information Memorandum dated 22nd July 2026.

This applicable Pricing Supplement must be read in conjunction with the Programme Information Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Information Memorandum, the provisions of this Pricing Supplement shall prevail

1. Description of the Notes	
1.1 Issuer	I&M Bank (T) Limited
1.2 Issuer Credit Rating	N/A
1.3 Lead Arranger & Sponsoring Broker	iTrust Finance Limited
1.4 Status of the Notes	Senior, Unsecured
1.5 Issue: Series Number*	I&M-FXD/T01/2026/05
* Explanation of the Series number	I&M Bank – FXD – fixed rate notes; T01 – Tranche number 1; 2026 – year of issue; 05 - tenor
1.6 Redemption/Payment Basis	Redemption at par
1.7 Principal Amount	TZS 20,000,000,000
1.8 Principal Amount Description	Issuance in nominal value: Tanzanian Shillings Twenty Billion (TZS 20,000,000,000)
1.9 Oversubscription	TZS 5,000,000,000 Greenshoe Option
1.10 Use of Proceeds	Proceeds will be used for general corporate purposes aimed at driving growth and improving operations. This includes expanded the loan portfolio into high-growth sectors, growing the network to reach underserved markets, and upgrade the digital banking infrastructure.
1.11 Form of Notes	Book Entry

1.12 Issue Date	21st September 2026
1.13 Specified Denomination of the Notes	TZS 500,000 with integral multiple of TZS 10,000
1.14 Issue Price	At Par
1.15 Interest Commencement Date	21st September 2026
1.16 Interest Termination Date	21st September 2031
1.17 Maturity Date	21st September 2031
1.18 Specified Currency	TZS (Tanzanian Shillings)
1.19 Applicable Business Day convention	Following Business Day Convention
1.20 Registrar, Fiscal & Calculating, Paying and Transfer Agent	CSD & Registry Company Limited
1.21 Specified office of the Registrar, Fiscal & Calculating, Paying and Transfer Agent	1st Floor, Exchange Tower, NHC Morocco Square, Mwai Kibaki & Ali Hassan Mwinyi Road, P.O. Box 7008 Dar es salaam, Tanzania
1.22 Final Redemption Amount	TZS 20,000,000,000
1.23 Record Date	Three days before (and not including) each Interest Payment Date
2. Provisions Relating to Interest Payable	
2.1 Fixed Rate Note Provisions	
i. Fixed Rate of Interest	13.0% per annum payable quarterly in arrears
ii. Interest Payment Dates	21st December, 21st March, 21st June, and 21st September in each year up to and including the Maturity Date.

iii. Payment Basis	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date.
iv. Default Rate	Fixed Rate of Interest + 1.00%
v. Day Count Fraction	365 Days
vi. Other terms relating to the method of calculating interest for the Fixed Rate Notes	Not Applicable

3. Provisions regarding Redemption	
3.1 Redemption at the option of the Issuer	Not applicable
If applicable, a. Optional Redemption Dates	Not applicable
b. Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	Not applicable
3.2 Minimum period of notice (if different from Condition [10.7] (Redemption and Purchase)	Not applicable
a. If redeemable in part	Not applicable
b. Other terms applicable on Redemption	None

GENERAL	
1. Other terms or special conditions	None
2. Board approval for issuance of the Notes	15th April 2026
3. Additional Selling Restrictions	None
4. Tradability	The bond will be tradable on the exchange at the market price
5. Eligible Investor(s)	Retail investors, local & international financial institutions and other institutional investors.

6. Allotment policy	In the event of an oversubscription, allotment will be at the discretion of the Issuer. The allocation of Notes will be conducted transparently and impartially, considering factors such as subscription period demand, investor diversification across categories, prevailing market conditions, investor preferences, and alignment with the Issuer's financial strategy. While aiming for diversification, the Issuer retains and investors acknowledge that the Issuer's allocation decisions are final and non-negotiable.
7. Settlement Procedures and Settlement Instructions	• For Qualified Institutional Investors (QIIs): same day funds on the settlement date to the Fiscal Agent • For investors other than QIIs: evidence of payment should be submitted to the Authorised Selling Agent, the Issuer together with the duly completed Application Form prior to the date Offer closes.
8. Details of bank account(s) to which payments are to be made in respect of the Notes	Bank Name: I&M BANK (T) LIMITED Bank Account Name: HATUA BOND Bank Account Number: 22200088000 SWIFT Code: IMBLTZTZ
9. Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	3 days before the Payment Date
10. Method of Distribution	Public

11. Rights of Cancellation	The Notes will be delivered to investors on the Settlement Date by registration in the CDS Account as book entry provided that: • No event occurs prior to the settlement process being finalized on the Issue Date/Settlement Date which the Issuer (in its sole discretion) consider to be a force majeure event; or • No event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the Notes, (each a Withdrawal Event). If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate, and no party hereto shall have any claim against any other party as a result of such termination.
12. Tax	Interest earned on the Notes is not subject to withholding tax for interest payments made to Noteholders.
13. Material Change	Save as disclosed in the Supplementary Information Memorandum as read together with this applicable Pricing Supplement, there has been no significant change in the Issuer's financial position since the date of the Issuer's last audited financial statements.
14. Responsibility Statement	The Issuer and the Board of Directors accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum referred to above, contains all information that is material in the context of the issue of the Notes.

ADDITIONAL INFORMATION	
15. Additional steps that may be taken following approval of the Extraordinary Resolution (in accordance with the Conditions)	Not applicable
16. Specify Agents and Specified Offices if new or other Agents appointed	Not applicable

Salient Dates	
Offer Opens	8.00 a.m. on Monday, 3rd Aug 2026
Offer Closes	4.00 p.m. on Friday 4th Sep 2026
Register Compilation	Friday, 18th Sep 2026
Issue Date	Monday, 21st Sep 2026
Allotment	5.00 p.m. on Wednesday 30th September 2026
Announcement Date	Monday, 5th October 2026
Notification Date	Monday, 5th October 2026
Register submission date to CSDR	Monday, 5th October 2026
CDS Account Upload Date	Friday, 9th October 2026
Listing date	Tuesday, 13th October 2026
Maturity Date	21st September 2031

Authorised Signatories

Signature:		Signature:	
Name:	PATRICK KAPELLA	Name:	Emmanuel Wilson
Title:	HEAD TREASURY	Title:	Head Of Credit

For and on behalf of:-

Authorised Signatory
TREASURY FRONT OFFICE

Emmanuel Wilson
Head Of Credit
I&M BANK (T) Limited
P.O. Box 1509, Dar es Salaam

hatua bond

hatua bond

I&M Bank (T) Limited
I&M House @ 1046, Haile Selassie Road - Masaki
P. O. Box 1509 | Dar Es Salaam| Tanzania
www.imbank.co.tz
0800 787 999/ 0784 107 999